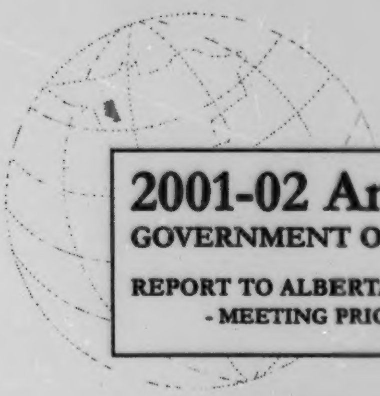


# 2001-02 Annual Report
## GOVERNMENT OF ALBERTA

### REPORT TO ALBERTANS ON BUDGET 2001 - MEETING PRIORITIES, SHARING BENEFITS

## Highlights

### The Future: Meeting Priorities, Sharing Benefits

Budget 2001 set out to meet the priorities and share the benefits with Albertans. In keeping the commitment of solid fiscal management the budget focused on the following priorities:

- Improving the quality of life of Albertans, with a focus on health care, education and social services,
- Strengthening the Alberta economic advantage, including the investment in infrastructure and,
- Increasing the Alberta tax advantage.

While no one could have predicted the events of fiscal 2001-02, the primary commitments of Budget 2001 were met.

In 2001-02 the provincial government:

- Balanced the budget and repaid debt
- Established a plan for reforming health care
- Provided $3 billion for infrastructure requirements
- Increased funding for health, education, and social services
- Increased basic, spousal and equivalent to spouse exemptions for personal income tax.
- Implemented the first stage of business tax cuts
- Provided emergency agriculture assistance for farmers and ranchers
- Provided assistance for Albertans and Alberta businesses with high energy costs
- Completed a review of security and emergency response plans

Alberta
GOVERNMENT OF ALBERTA

## Fiscal Responsibility

The past fiscal year saw challenges and uncertainty in both society and the economy that required solid leadership to keep the province's overall fiscal plan on course.

Economic growth slowed more sharply than expected, Alberta had the worst drought in over a hundred years, and events throughout the world impacted both our economy and society.

For the first time in nine years revenue was lower than budgeted and the provincial government took the necessary action. In October, the government implemented a freeze on hiring and discretionary spending and deferred some infrastructure spending. These measures ensured the budget remained balanced and core services were protected.

Total revenue for 2001-02 was $22 billion, $646 million lower than budgeted, however, as a result of stronger fourth quarter results, some previously deferred infrastructure projects were restored.

The 2001-02 results will allow accumulated debt less cash set aside for future debt repayment to be reduced to $5.3 billion. Alberta's plan to eliminate the debt is now ten years ahead of the legislated schedule.

**Fiscal Summary**
(millions of dollars)

| | 2001-02 | | 2000-01 |
|---|---|---|---|
| | **Budget** | **Actual** | **Actual** |
| **Revenue** | **22,673** | **22,027** | **25,597** |
| **Expense** | | | |
| Program | 20,832 | 20,145 | 18,044 |
| Debt servicing costs | 750 | 774 | 980 |
| Pension provisions | 30 | 29 | 14 |
| Total Expense | **21,612** | **20,948** | **19,038** |
| Net revenue | 1,061 | 1,079 | 6,559 |
| Less: Net increase in capital assets affecting operations | 274 | 336 | 185 |
| Net results of operations | 787 | 743 | 6,374 |
| Removal of pension provisions | 30 | 29 | 14 |
| **Economic Cushion*** | **817** | **772** | **6,388** |

* Subject to *Fiscal Responsibility Act*, excludes the change in pension provisions. Total spending referred to in the Executive Summary equals total expense plus net increase in capital assets affecting operations less pension provisions.

## Alberta's Economy

In 2001, Alberta's economy grew by an estimated 4.5 per cent, the highest growth among all provinces. Employment also increased by 2.8 per cent, or nearly 44,000 new jobs. Unemployment rates were the lowest in 20 years at 4.6 per cent and far lower than the national average.

Alberta's personal disposable income per capita was the highest in the country. Higher incomes and lower taxes contributed to 8.1 per cent growth, close to double Canadian growth.

As a result of the strong economy Alberta's population grew by 1.8 per cent, the strongest growth rate in the country. Both the economic and population growth put increased demands on Alberta's infrastructure and, as a result, more than $3 billion was provided for health, education, transportation and other infrastructure projects. This is approximately three times the average rate of infrastructure spending allocated in other provinces' budgets.

## Alberta's Tax Advantage

On January 1, 2001 Alberta implemented a new tax plan and, in 2001 alone, Albertans saved $1.1 billion in personal income tax. In addition, in January 2002, basic, spousal and equivalent to spouse amounts were increased to $13,339, meaning Albertans can earn more before paying any provincial personal income tax at all.

On April 1, business rates were also reduced. General business income tax was cut from 15.5 per cent to 13.5 percent and the small business rate was reduced from 6 per cent to 5 per cent and the small business threshold increased to $300,000.

Changes to the tax system ensured that Alberta kept the overall lowest tax load in the country and improved the global tax competitiveness of the province.

## Addressing Core Services

While overall spending was $600 million lower than budgeted, the province spent over $21.3 billion on programs and services for Albertans including the interest on debt. Total spending increased by $2 billion from the previous year.

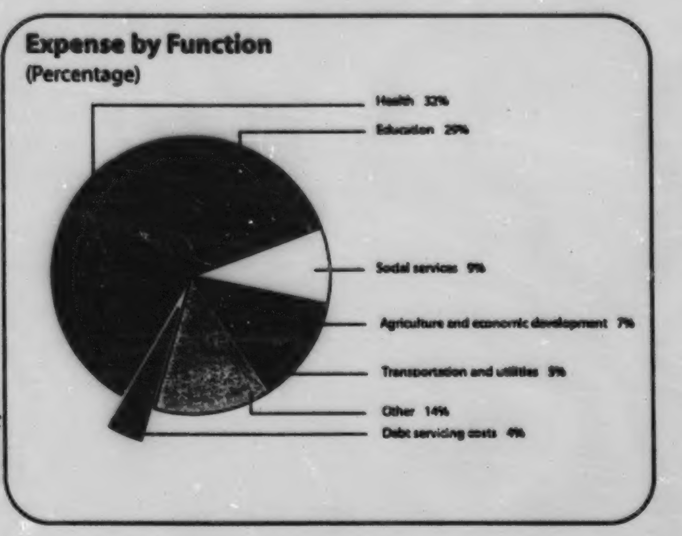
The increased year over year spending included increases to health, education, social services and other key initiatives. Including capital investment, health and education accounted for 61 per cent of total expense.

By function, major changes in spending from the previous year and from Budget 2001 include:

**Health** - spending increased by $862 million or 14.5 per cent over last year to $6.8 billion. Spending was $350 million less than budgeted primarily due to the deferral of some capital projects.

**Education** - spending increased by over $1 billion or 21.4 per cent over last year to $6.1 billion. Spending from budget increased by $33 million primarily due to infrastructure spending.

**Social Services** - increased by $154 million or 8.6 per cent, to $1.9 billion over last year and was $8 million higher than budgeted.

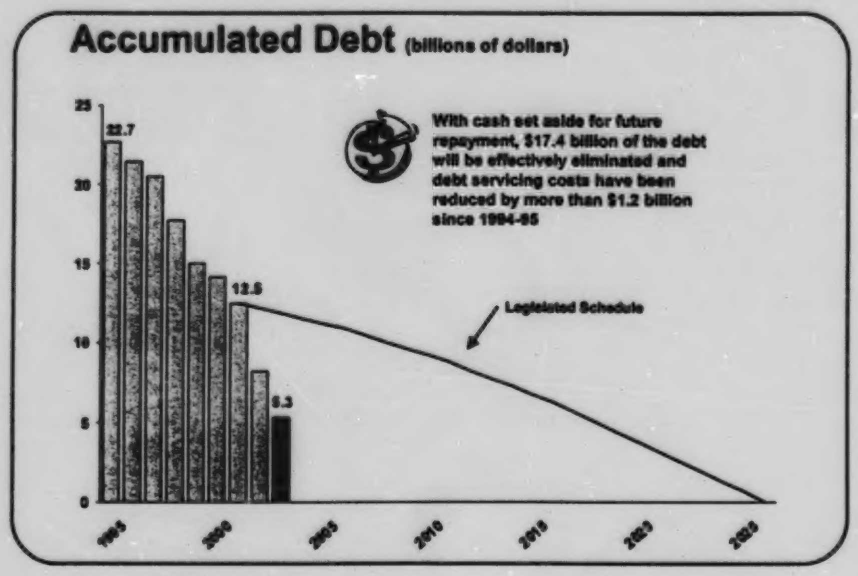


**Agriculture and Economic Development** - spending increased by $391 million or 35.1 per cent to $1.5 billion over last year. It was also $221 million higher than budgeted.

**Transportation and Utilities** - spending decreased by $546 million or 33.1 per cent from last year to $1.1 billion. This is entirely due to a reduction in energy shielding programs. Spending was $524 million lower than budgeted due to lower spending on energy shielding programs, deferred infrastructure projects and other changes.

**Other programs** - Spending increased by $165 million or 6.5 per cent to $2.7 billion from the previous year.

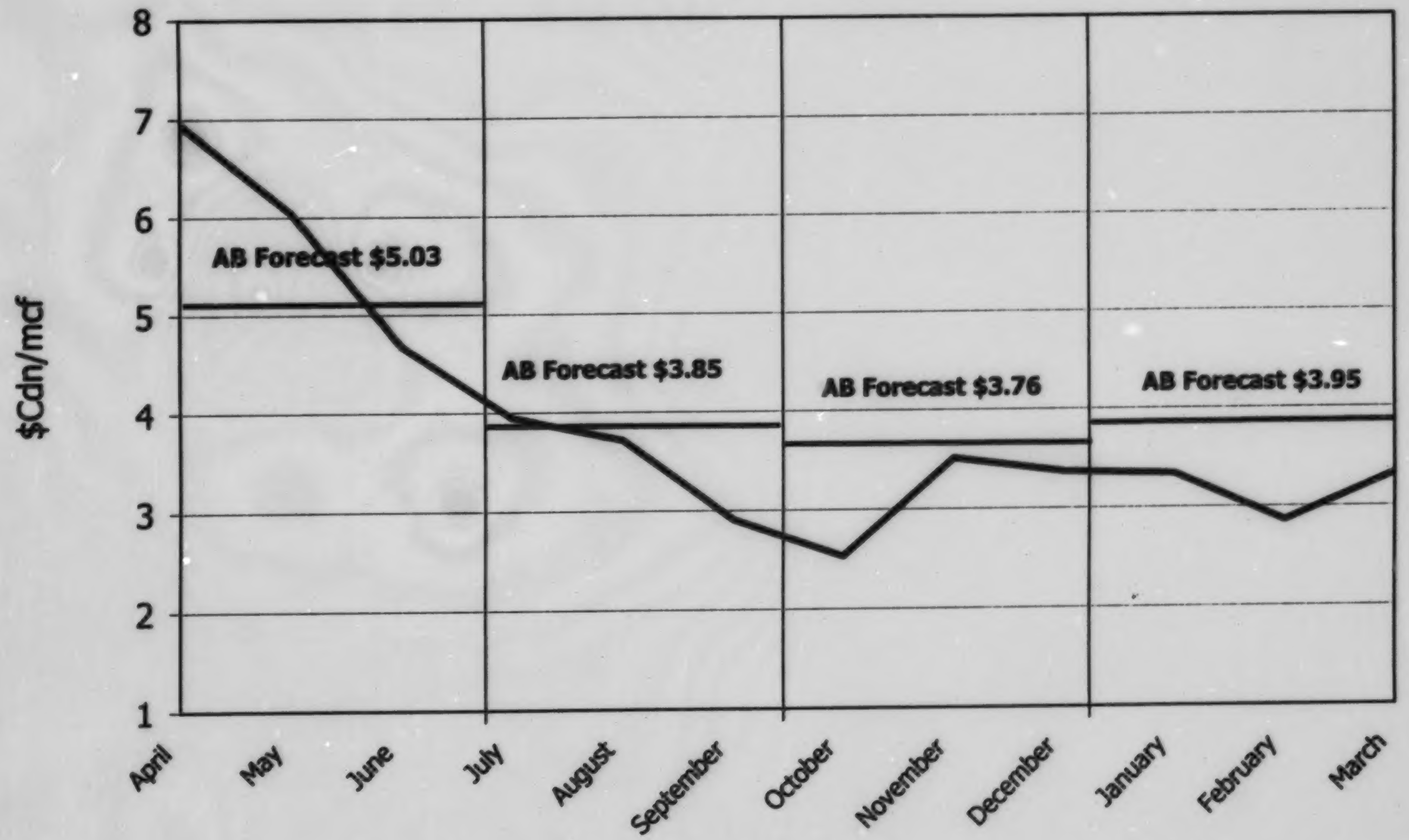
**Debt Servicing Costs** - were $206 million lower than the previous year as a result of debt repayment but were $24 million higher than budgeted due to US exchange rates.

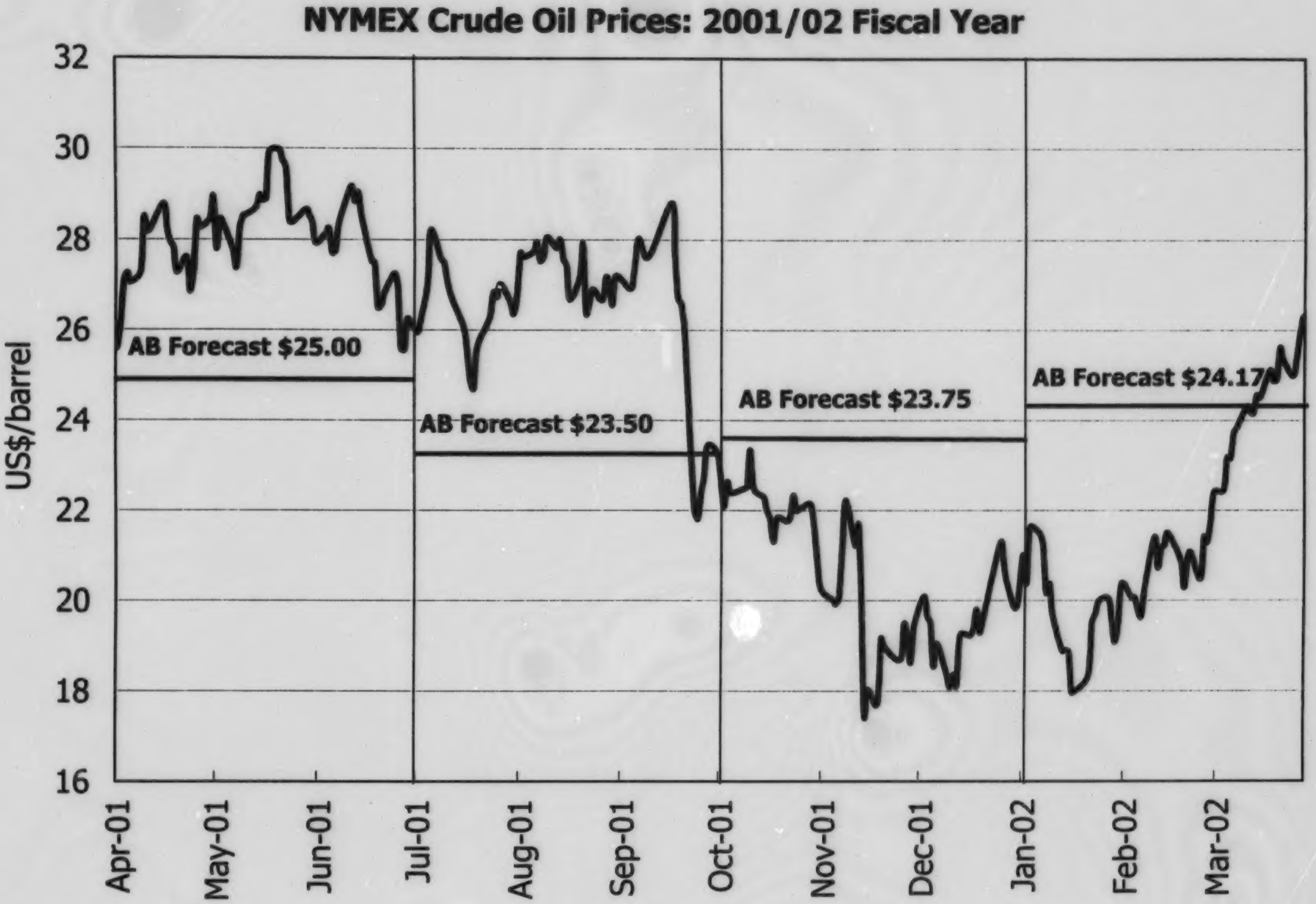


With cash set aside for future repayment, $17.4 billion of the debt will be effectively eliminated and debt servicing costs have been reduced by more than $1.2 billion since 1994-95

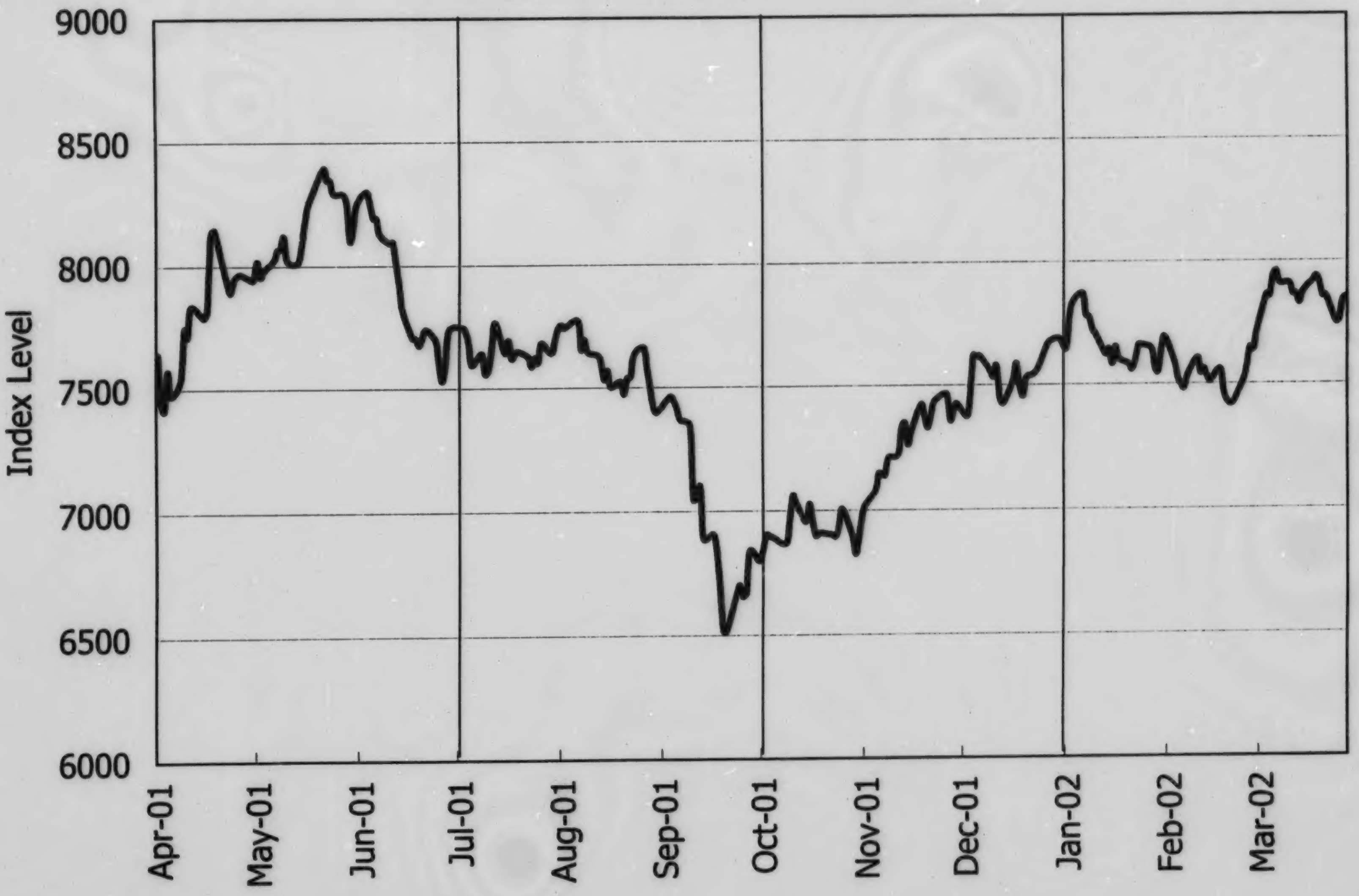
The complete 2001-02 *Government of Alberta Annual Report*, including *Measuring Up*, is available on our website at www.finance.gov.ab.ca or by calling the Finance information line at 427-3035 or toll free at 310-0000, then dial 780-427-3035.

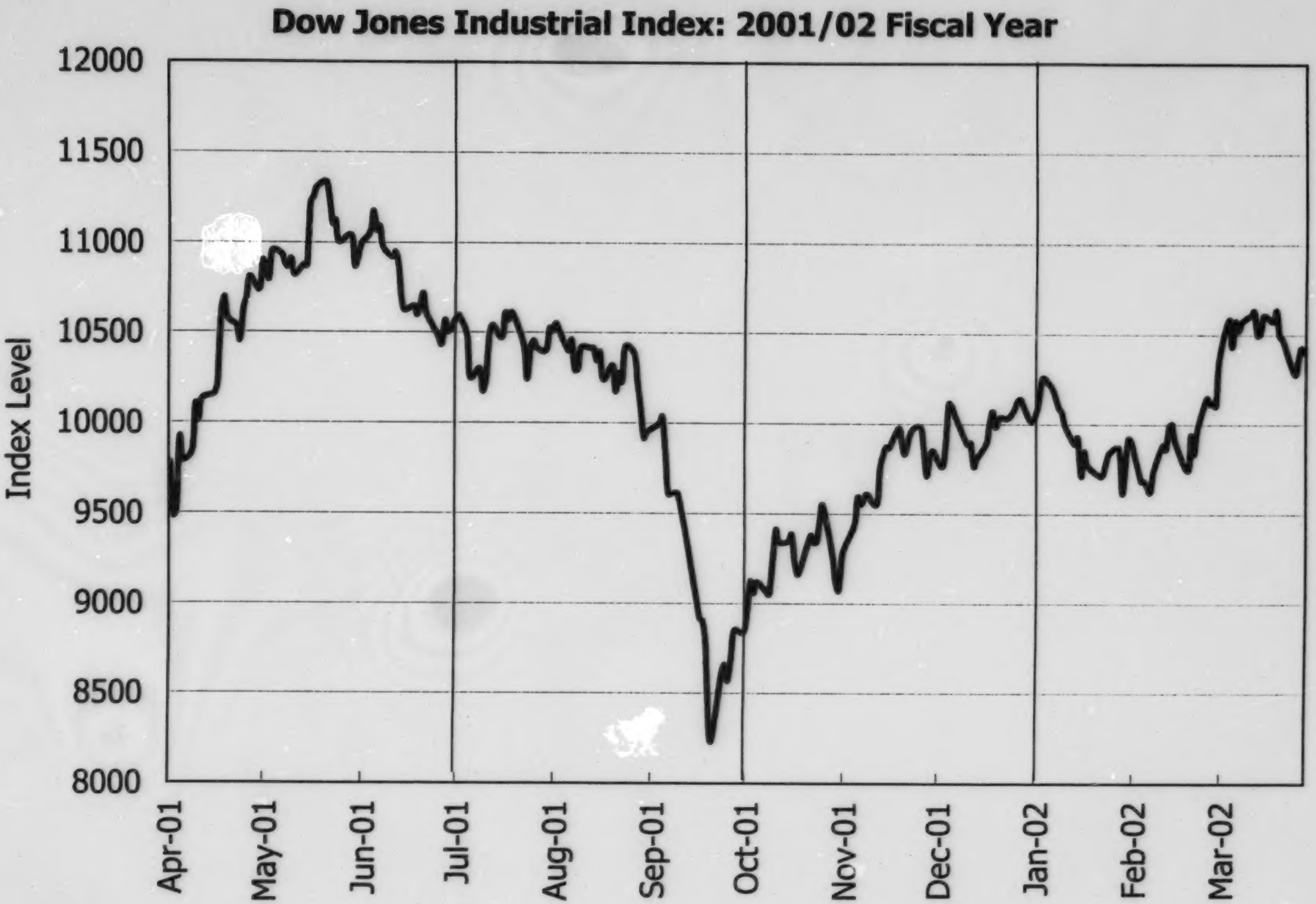
## Natural Gas (Alberta Reference):2001/02 Fiscal Year




NYMEX Crude Oil Prices: 2001/02 Fiscal Year
US$/barrel
32
30
28
26
24
22
20
18
16
AB Forecast $25.00
AB Forecast $23.50
AB Forecast $23.75
AB Forecast $24.17
Apr-01
May-01
Jun-01
Jul-01
Aug-01
Sep-01
Oct-01
Nov-01
Dec-01
Jan-02
Feb-02
Mar-02

**TSX Index: 2001/02 Fiscal Year**




Dow Jones Industrial Index: 2001/02 Fiscal Year
Index Level
12000
11500
11000
10500
10000
9500
9000
8500
8000
Apr-01
May-01
Jun-01
Jul-01
Aug-01
Sep-01
Oct-01
Nov-01
Dec-01
Jan-02
Feb-02
Mar-02

# Financial Year in Review

|  |  | *Quarter over Quarter Changes* |  |  |  |  |
|---|---|---|---|---|---|---|
| ***In millions $*** | Budget 2001 | 1st Quarter | 2nd Quarter | 3rd Quarter * | 4th Quarter | Year End |
| Revenue | 22,673 |  |  |  |  | 22,027 |
| Net Change in Revenue |  | (98) | (1,491) | 64 | 879 | (646) |
| Spending | 21,856 |  |  |  |  | 21,255 |
| Net Change in Spending |  | 234 | (1,018) | 41 | 142 | (601) |
| Economic Cushion | 817 | 485 | 12 | 35 | 772 | 772 |

***Forecast published in Budget 2002**

# 2001-02 Annual Report

## GOVERNMENT OF ALBERTA

REPORT TO ALBERTANS ON BUDGET 2001

Alberta
GOVERNMENT OF ALBERTA

This is the report to Albertans on **Budget 2001 – The Future – Meeting Priorities, Sharing Benefits**. It is a permanent public record of ALL the dollars spent and the results achieved by the Government of Alberta for the 2001-02 fiscal year.

## ACCOUNTABILITY STATEMENT

The government's Annual Report for the year ended March 31, 2002 was prepared under my direction on behalf of the government in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at June 20, 2002 with material economic or fiscal implications have been considered in the preparation of the Annual Report.

**Patricia L. Nelson**
**Minister of Finance**

# BUDGET 2001

## THE FUTURE: MEETING PRIORITIES SHARING BENEFITS

### A MESSAGE FROM THE MINISTER OF FINANCE

Fiscal 2001-02 was a year when this government met its commitment to the priorities of Albertans in an environment of global uncertainty. For the first time in nine years, revenue was lower than budgeted. It was a year of turmoil and challenge. Global economic growth slowed more sharply than anticipated, energy prices declined faster than expected and events throughout the world impacted both our economy and our society.

To accompany global events, Alberta also experienced the worst drought in a century and fighting forest fires in the province also required additional funding. However, despite the necessity of making changes to the province's fiscal plan, the primary commitments of *Budget 2001* remained on target. We delivered a balanced budget for the eighth consecutive year. We also continued to pay down the debt, reduced taxes for both personal and corporate taxpayers and enhanced spending in priority areas.

This annual report shows the financial and performance results for the past year and compares our actual results to the budget plan. While no one could have predicted the events of the past year, this government was able to take quick and effective action to ensure it kept its commitments to Albertans.

## MEETING PRIORITIES

Albertans priorities were met in a number of ways of this past year. They included the corrective measures taken in October that kept the budget balanced and showed fiscal responsibility, something Albertans have come to expect. Albertans have also told us the importance of health and education. On a functional basis, those two areas accounted for 61 per cent of all government spending last year. This included support for the increased costs of medicines and health services, improvements to facilities and equipment as well as rising costs and enrolments at schools.

Infrastructure spending was also a key area. In 2001-02, approximately $3 billion was allocated for infrastructure initiatives, including transportation, education and health facilities as well as seniors' housing and water management.

Funding was also made available for emergency drought and farm assistance for farmers and ranchers. And to help Albertans with high energy costs in the early part of the fiscal year, rebates were made available.

Debt elimination has also been a priority of Albertans and the government helped meet that goal by reducing the accumulated debt, less cash set aside for future debt repayment, to $5.3 billion. One of the benefits of lower debt is lower debt servicing costs. This is money that is permanently freed up for use on other priorities.

## SHARING BENEFITS

The past year saw Albertans at all income levels share in the benefits of a lower tax regime as more than 200,000 lower income Albertans were removed from the provincial tax rolls and personal exemption limits, indexed to inflation, were increased to $13,339, the highest in Canada by far. The single rate tax plan saw Albertans save $1.1 billion on personal income tax in 2001. Business also saved as government reduced their taxes by $286 million in the past fiscal year.

In 2001-02, there were also new educational opportunities as entry spaces were created in critical areas such as health, education, business, and information technology and over 3,800 apprenticeship spaces were also created.

Albertans enjoy the highest personal disposable income per capita among the provinces, the lowest unemployment rate among the provinces and the opportunities that result from the creation of 43,900 new jobs. Alberta's economy performed strongly despite challenges in the year, growing by an estimated 4.5 per cent.

While many aspects of our fiscal plans were tested last year, we also learned a great deal. All told, we confirmed that the fiscal foundation of the province is solid and able to weather uncertain economic conditions. We also showed that this government can and will take necessary actions to maintain our commitments to the *Fiscal Responsibility Act* and the people of Alberta.

Patricia Nelson

**Patricia L. Nelson**
**Minister of Finance**

# TABLE OF CONTENTS

**PREFACE** .......... vii

EXECUTIVE SUMMARY -
BUDGET 2001 - THE FUTURE: MEETING PRIORITIES, SHARING BENEFITS

**Overview** .......... 1
Fiscal Responsibility .......... 1
Alberta's Economy .......... 2
Alberta's Tax Advantage .......... 3
Health .......... 3
Education .......... 4
Infrastructure / Transportation Initiatives .......... 4
Other Key Initiatives .......... 5
**Achieving Business Plan Goals** .......... 6
People .......... 6
Prosperity .......... 6
Preservation .......... 7
**Financial Results - Managing Dollars** .......... 8
Revenue .......... 8
Spending .......... 10
Debt Repayment and Increase in Financial Assets .......... 12
**Looking Ahead** .......... 13

CONSOLIDATED FINANCIAL STATEMENTS

**Introduction** .......... 15
**Management's Responsibility for the Consolidated Financial Statements** .......... 16
**Auditor's Report** .......... 17
**Consolidated Statement of Operations** .......... 18
**Consolidated Statement of Financial Position** .......... 19
**Consolidated Statement of Changes in Financial Position** .......... 20
**Consolidated Statement of Capital Assets** .......... 21
**Notes to the Consolidated Financial Statements** .......... 22

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**Schedules to the Consolidated Financial Statements** ........ 32
1 Revenues ........ 32
2 Expenses by Ministry ........ 33
3 Expenses by Object ........ 33
4 Valuation Adjustments ........ 34
5 Net Increase in Capital Assets Affecting Operations ........ 34
6 Cash and Temporary Investments ........ 34
7 Portfolio Investments ........ 35
8 Equity in Commercial Enterprises ........ 36
9 Loans and Advances ........ 37
10 Inventories Held for Resale ........ 37
11 Unmatured Debt ........ 38
12 Debt and Equity of Alberta Municipal Financing Corporation ........ 40
13 Pension Obligations ........ 41
14 Other Accrued Liabilities ........ 43
15 Guarantees ........ 44
16 Listing of Organizations ........ 45

MEASURING UP

**About Measuring Up** ........ 49
**Report of the Auditor General** ........ 51
**Performance Summary** ........ 52
**People** ........ 55
Life Expectancy at Birth ........ 57
Health Status ........ 60
Well-Being of Children ........ 63
Educational Attainment ........ 67
Literacy and Numeracy Levels ........ 71
Economic Status of Albertans ........ 73
Economic Status of Albertans ........ 77
Aboriginal Well-Being ........ 79

## TABLE OF CONTENTS

**Prosperity** . . . 83
- Gross Domestic Product . . . 85
- Job Growth . . . 88
- Skill Development . . . 91
- Business Innovation . . . 93
- Value-Added Industries . . . 97
- Infrastructure Capacity . . . 99
- Taxation Load . . . 103
- Provincial Credit Rating . . . 107
- Accumulated Debt . . . 109
- Cost of Government . . . 112
- Workplace Climate . . . 115
- Export Trade . . . 117

**Preservation** . . . 119
- Crime Rate . . . 121
- Renewable Resource Sustainability . . . 127
- Air Quality . . . 129
- Water Quality . . . 131
- Land Quality . . . 134
- Heritage Appreciation . . . 137
- Intergovernmental Relations . . . 141

**Appendix I - Core Measures Methodology** . . . 143

**Appendix II - Government of Alberta Business Plan 2001-04**
**Budget 2001 - The Future: Meeting Priorities, Sharing Benefits** . . . 151

**Appendix III - Related Key Ministry Performance Measures** . . . 185

**Appendix IV - Cross-Ministry Initiatives** . . . 193

# PREFACE

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act.* The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 ministries.

**This annual report of the Government of Alberta contains the Minister of Finance's accountability statement, the consolidated financial statements of the Province and a comparison of the actual performance results to desired results set out in the government's business plan, including the Measuring Up report.**

On March 15, 2001, the government announced new ministry structures. Ministry annual reports and financial statements are being prepared as if the new ministries were in existence on April 1, 2000 and throughout the two-year period covered by their financial statements.

The annual reports of ministries, released in the fall of each year, contain Ministers' accountability statements, the audited consolidated financial statements of the ministries and a comparison of actual performance results to desired results set out in the ministries' business plans. Each ministry annual report also includes:

- financial statements of entities making up the ministry including departments (all departments combined form the General Revenue Fund), regulated funds, provincial agencies and Crown-controlled corporations,
- other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of financial statements, to the extent that the ministry has anything to report, and
- financial information relating to accountable organizations and trust funds.

**2001-02 Annual Report**
GOVERNMENT OF ALBERTA

# Executive Summary

The Government of Alberta Annual Report is comprised of two parts:

- ***Consolidated Financial Statements***, which provide an overall accounting of the Government's revenue and spending, and assets and liabilities.
- ***Measuring Up***, which reports on the progress achieved on core government performance measures.

Annual reports for each ministry are published in September and provide additional detailed information on performance and financial results.

# BUDGET 2001

## THE FUTURE: MEETING PRIORITIES SHARING BENEFITS

### OVERVIEW

*Budget 2001 - The Future: Meeting Priorities, Sharing Benefits* was focused on improving and strengthening Alberta's advantages. Within a framework of sound fiscal management and debt repayment, *Budget 2001* set out the following priorities:

- improving the quality of life of Albertans, with a focus on health care, education and social services,
- strengthening the Alberta economic advantage, including increased investment in infrastructure and
- increasing the Alberta tax advantage.

While uncertainty over government revenue forced some changes to budget plans, the basic commitments made in the budget were met.

- The budget was balanced for the eighth consecutive year and debt was reduced.
- Health, education and social services funding was increased to meet the needs of Albertans.
- A plan for reforming health care was established.
- Over $3 billion was provided to address the infrastructure requirements of Alberta's economy and increasing population.
- The new personal income tax system was implemented on January 1, 2001. On April 1, 2001, the first stage of business tax cuts recommended by the Business Tax Review Committee was implemented.

### FISCAL RESPONSIBILITY

- 2001-02 was a year of turmoil and uncertainty. Economic growth slowed more sharply than expected across North America and the world. Alberta farmers faced their worst drought in over a century. Energy prices declined faster than expected. The events of September 11 sent reverberations throughout the economy and society.
- For the first time in nine years, revenue was lower than budgeted. At the same time, additional funding was required to address drought conditions and forest fire-fighting costs. The government was required to adjust its budget plans.
- In October 2001, corrective actions were taken to ensure the budget remained balanced and core public services were protected. Some infrastructure spending was deferred and internal efficiencies, including a freeze on hiring and discretionary spending, were implemented.
- Stronger fourth quarter results for corporate income tax and non-renewable resource revenues allowed the government to restore some of the deferred infrastructure spending at the end of the fiscal year.
- Total revenue in 2001-02 was $646 million lower than budgeted. Spending was $601 million lower than budgeted (including the net change in capital assets affecting operations).
- The year-end economic cushion was $772 million compared to the budget estimate of $817 million.
- The 2001-02 results will allow accumulated debt less cash set aside for future debt repayment to be reduced to $5.3 billion.

## Fiscal Summary

(millions of dollars)

| | 2001-02 | | 2000-01 |
|---|---|---|---|
| | Budget | Actual | Actual |
| **Revenue** | 22,673 | 22,027 | 25,597 |
| **Expense** | | | |
| Program | 20,832 | 20,145 | 18,044 |
| Debt servicing costs | 750 | 774 | 980 |
| Pension provisions | 30 | 29 | 14 |
| Total Expense | 21,612 | 20,948 | 19,038 |
| Net revenue | 1,061 | 1,079 | 6,559 |
| Less: Net increase in capital assets affecting operations | 274 | 336 | 185 |
| Net results of operations | 787 | 743 | 6,374 |
| Removal of pension provisions | 30 | 29 | 14 |
| **Economic Cushion**[a] | 817 | 772 | 6,388 |

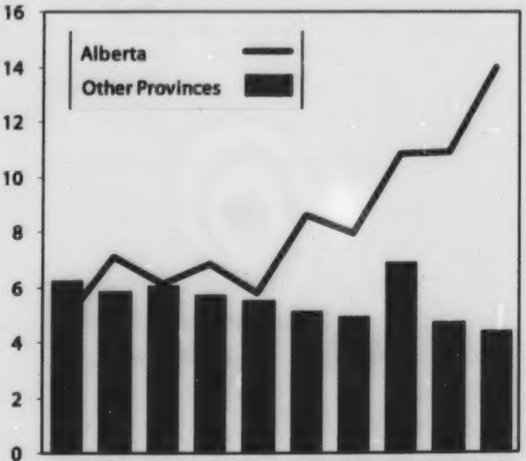
[a] Subject to *Fiscal Responsibility Act*, excludes the change in pension provisions. Total spending referred to in the Executive Summary equals total expense plus net increase in capital assets affecting operations less pension provisions.

## ALBERTA' S ECONOMY

- Alberta's economy performed strongly in 2001 despite declining energy prices and a U.S. recession. The economy grew by an estimated 4.5% (real gross domestic product), the highest growth among provinces and only slightly lower than the 4.8% growth forecast in the budget.
- Employment grew by 2.8% or 43,900 new jobs. Alberta's unemployment rate averaged 4.6% in 2001, the lowest rate since 1981 and one-third lower than the national rate of 7.2%.
- Alberta had the highest personal disposable income per capita among provinces in 2001. Strong growth in personal income and the introduction of a single rate personal tax system contributed to 8.1% growth in personal disposable income, close to double the Canadian growth of 4.3%.
- Alberta's population was estimated to be 3,088,706 as of January 1, 2002, up 1.8% from the previous year, the strongest growth among provinces.
- The strong economic and population growth placed increased demands on Alberta's infrastructure. In 2001-02, over $3 billion was provided for health, education, transportation and other infrastructure projects. This represented over 14% of total spending and approximately three times the average rate of other provinces.

### Interprovincial Comparison of Capital Expenditure

(percent of total spending)



*Source:* Dominion Bond Rating Service Limted, The Canadian Federal and Provincial Governments, November 2001. Alberta data for 2001-02 updated by Alberta Finance.

## ALBERTA'S TAX ADVANTAGE

- In 2001, Albertans received the full benefit of the move to the single rate personal income tax system, saving $1.1 billion.
- The government reduced business taxes by $286 million in 2001-02 and announced a schedule for further cuts, subject to affordability. *Budget 2002* indicated that future tax cuts will proceed but at a slower rate.
- The general business income tax rate was cut from 15.5% to 13.5% effective April 1, 2001. The small business income tax rate was cut from 6% to 5% and the small business income threshold increased to $300,000.
- The capital tax on financial institutions was eliminated.
- Albertans, 16 years and older, received $150 each as the second installment of their Energy Tax Refund.

## HEALTH

- The Premier's Advisory Council on Health undertook an extensive investigation into health care in Alberta and released its recommendations in January 2002. All 44 recommendations were accepted and the government began to implement the Action Plan on Health Care Reform.
- Immunization programs were expanded. A province-wide meningococcal immunization program was implemented. A new meningitis vaccine was made available to children under two years of age and a new chickenpox vaccine was added to the infant immunization program.
- Increased funding for MRIs allowed the number of scans to reach 24 per thousand population, the highest rate in Canada.
- Funding was provided to increase the recruitment of physicians, including highly skilled neurosurgeons, cardio-vascular surgeons and other specialists. Thirty-seven medical residency positions in a new two-year rural family medicine training program were also established.
- Amendments were made to the *Health Professions Act* to establish consistent regulatory rules for health professions in Alberta.
- A tobacco reduction strategy was developed, including tax increases on tobacco products in March 2002.
- On January 1, 2002, long-term accommodation rates were raised for the first time since 1994 to provide additional funding for the operation of long-term care facilities. Residents with low income were shielded from the rate increase.
- The first election of members of the boards of Regional Health Authorities was held in October 2001.
- Approximately $500 million was provided for the construction and upgrading of health facilities, and for health equipment. This included the upgrading of Foothills Hospital in Calgary, Royal Alexandra and University of Alberta Hospitals in Edmonton and the Red Deer Regional Hospital.
- Total health spending, including grants for construction and upgrading of health facilities, reached $6.8 billion, an increase of 14.5% or $862 million from the previous year.

## EDUCATION

- A major upgrading and expansion of education facilities took place in 2001-02. Approximately $1 billion in capital support was provided for school and post-secondary facilities, a $748 million increase from the previous year.
- The increased capital funding will allow for the building of 18 new schools and upgrading and expansion of approximately 90 other schools in the province. Capital support for post-secondary facilities included the expansion of the Red Deer College, Mount Royal College, Medicine Hat College, Lethbridge Community College, Southern Alberta Institute of Technology, the engineering facility at the University of Alberta, Bow Valley College and Athabasca University.
- Increased entry spaces were provided in critical post-secondary areas. This included over 1,300 new entry spaces in health, business, teacher education, and information technology, and over 3,800 new apprenticeship spaces. The Registered Nurse Accelerated Track Education program was introduced to help alleviate the shortage of nurses.
- Additional funding was provided to attract and retain high quality faculty, especially in critical areas such as medicine, computer science, engineering and business.
- Student loan programs were restructured in 2001-02. The province assumed responsibility for financing of all Alberta student loans issued after July 31, 2001. Student finance programs were enhanced and a new student loan relief program was implemented for eligible first-year students.
- The Alberta Initiative for School Improvement continued to help in the development of new ideas and approaches to improved learning through more than 700 projects across Alberta. The Initiative gives schools the flexibility to propose a range of improvement strategies such as early literacy, math skills, smaller class sizes, and stay-in-school programs.
- The Family Literacy Strategy was implemented to expand and enhance community-based literacy programs.
- The Alberta Computers for Schools program distributed 24,000 refurbished computers to schools and libraries so students have extra resources to develop technology skills.
- A new "LearnAlberta" website was established to enhance students learning in the classroom with resources such as curriculum-based concept lessons and a comprehensive online reference centre.
- Total spending on basic and post-secondary education, including grants for capital upgrading and expansion, reached $6.1 billion, an increase of 21.4% or $1.1 billion from the previous year.

## INFRASTRUCTURE / TRANSPORTATION INITIATIVES

- Over $3 billion was provided for infrastructure initiatives in 2001-02. This included approximately $1 billion for transportation, $1 billion for educational facilities, $0.5 billion for health facilities and equipment, and $0.5 billion for other infrastructure (including seniors' housing, water and water management, and SuperNet).

- Transportation initiatives included over $700 million for maintenance, rehabilitation and construction of provincial highways and continued work on the North-South Trade Corridor.
- Approximately $260 million was provided for municipal transportation partnerships, including Rural Transportation Partnerships, Alberta Cities Transportation Partnerships, resource/new industry roads, and streets improvement program. All municipalities received the equivalent of the full Premier's Task Force grant levels to March 31, 2003.

## OTHER KEY INITIATIVES

- Spending on services for children increased by 9%, responding to growth in caseloads and allowing for the expansion of early intervention and outreach programs. A new method for the management of child welfare cases was established which emphasizes strengthening community supports for families.
- Nearly $500 million in emergency agriculture assistance was provided through the Farm Income Assistance Program and higher-than-normal payments for safety net programs.
- The Healthy Aging Partnership Initiative assisted the development of seniors' supportive housing projects.
- Over $500 million in energy cost assistance was provided to Albertans and Alberta businesses to help with high energy costs in the early part of the fiscal year. This included the second installment of the Energy Tax Refund and energy rebate programs.
- A review of security and emergency response plans was undertaken. Increased funding was provided for Crown prosecutors and provincial policing programs.
- Environment initiatives included initial planning for a provincial water strategy, new emission standards for new coal-fired power plants, and research funding on climate change and flaring emissions.
- Following a review of the province's gaming licensing policies, new policies were approved to manage future expansion of gaming in Alberta.

## ACHIEVING BUSINESS PLAN GOALS

The Measuring Up section of the Annual Report provides non-financial information on Alberta's progress in achieving the goals outlined in the 2001-04 Government Business Plan, *Budget 2001 - The Future: Meeting Priorities, Sharing Benefits.*

### PEOPLE

- *Albertans will be healthy.* – Albertans continued to rank among the top ten countries in the world for life expectancy. Albertans' self reported health status was lower than in previous years.
- *Alberta's children will be well cared for, safe, successful at learning and healthy.* – As reported last year, fewer children were economically disadvantaged compared to children in other provinces, based upon preliminary 1997 methodology for the new Market Basket Measure of low income. 2000 data is anticipated for release in Fall 2002.
- *Alberta students will excel.* – Albertans aged 25-34 continued to rank third and fifth respectively among the provinces in completing high school and post-secondary. Alberta students continued to perform well on cross-Canada and international achievement tests. Alberta Grade 9 students continued to do well on language arts provincial achievement tests; however, their performance on mathematics tests, which improved slightly, remained below provincial expectations.
- *Albertans will be independent.* – In comparison to other provinces, Alberta had the highest percentage of Albertans who lived above the Market Basket Measure low income threshold, based upon preliminary 1997 methodology. 2000 data is anticipated for release in Fall 2002.
- *Albertans unable to provide for their basic needs will receive help.* – See above comment on Market Basket Measure.
- *The well-being and self reliance of Aboriginal people will be comparable to that of other Albertans.* – Socio-economic disparities between First Nations, Metis and other Aboriginal communities and other Albertans in life expectancy, employment and education need to be narrowed. Census data for 2001 will be available in 2003.

### PROSPERITY

- *Alberta will have a prosperous economy.* – Alberta's economy performed well despite a global economic slowdown and the September 11 terrorist attacks on the U.S. that further weakened the U.S. economy. The provincial economy continued to expand due to strong growth in oilsands investment, record receipts in the livestock sector, a boost in housing starts, and healthy household spending fuelled by a robust labour market and large provincial income tax cuts. Alberta's personal disposable income per capita was the highest in Canada.
- *Alberta's workforce will be skilled and productive.* – Alberta employers continued to be satisfied with the skills of recent degree, diploma and apprenticeship graduates. Alberta's labour productivity continued to rank highest among the provinces.
- *Alberta businesses will be increasingly innovative.* – Results for Alberta business use of the Internet to sell goods and services were not available from Statistics Canada as previously expected. Next year, the percentage of households surveyed that have a family member using the Internet at work will be used as an indicator of the innovativeness of Alberta businesses. Gross expenditure on R&D by Alberta's business sector continued to decline in 1999 in value and as a share of total Canadian business R&D expenditure.

- *Alberta's value-added industries will lead economic growth.* – Alberta's value-added sector continued to expand at the same rate as the rest of the economy so its share of Alberta's economy remained the same. Both the manufacturing and knowledge intensive services industries contributed to the expansion of the value-added sector.
- *Alberta will have effective and efficient infrastructure.* – Rural sections of the National Highway System continued to meet the target to provide good traffic flow. Export gas pipeline capacity exceeded throughput demand. Industry and non-profit sponsored research at Alberta universities was up as a percentage of total sponsored research but still below the percentages achieved in previous years.
- *Alberta will have a financially stable, open and accountable government.* – The province earned a triple A credit rating from all three major credit rating agencies, the highest possible rating and highest among the provinces. Alberta had the lowest provincial tax load on persons among the provinces and the second lowest provincial tax load on business. The province continued to be ahead of schedule for accumulated debt repayment and to be the only province in an overall net asset position. Provincial government expenditure per capita grew faster than the average of the nine other provinces; however, Alberta government spending as a percentage of GDP was lowest among the provinces.
- *Alberta will have a fair and safe work environment.* – In 2001, Alberta ranked second lowest among the provinces for person-days lost due to work stoppages up from fourth lowest, and was third lowest for workplace injury and disease in 1999.
- *Alberta businesses will increase exports.* – The value of Alberta's value-added exports declined following a notable surge in value-added exports in 2000. A global slump in the information and technology sector and weak forest product prices dampened manufacturing exports. Tourism was down as a result of the September 11 terrorist attacks on the U.S.

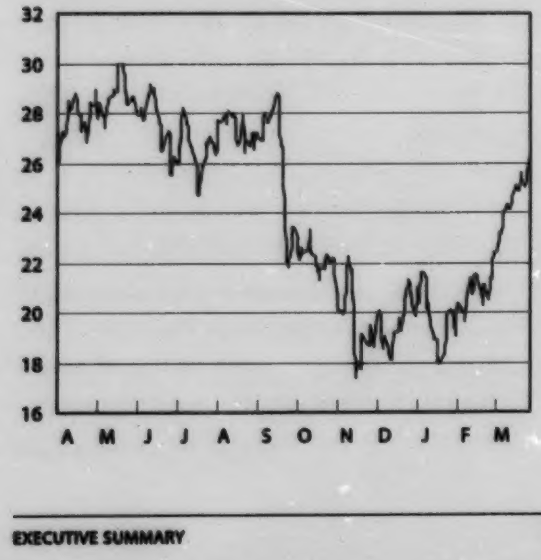
## PRESERVATION

- *Alberta will be a safe place to live and raise families.* – The gap between Alberta's crime rate and the national rate narrowed last year, although Alberta's crime rate remained above the national rate. Alberta's property and violent crime rates are the lowest of the four western provinces.
- *Alberta's renewable natural resources will be sustained.* – Alberta's timber harvest remained below the annual allowable cut, which is a measure of sustainability. Land productivity continued to fall owing to dry conditions in much of southern and central Alberta.
- *The high quality of Alberta's environment will be maintained.* – There were no days of poor air quality last year and water quality improved as a result of better control of effluent discharged into the rivers and improvements in wastewater treatment facilities. Land quality was lower due to drought conditions. Twelve species of wildlife are considered "at risk".
- *Albertans will have the opportunity to enjoy the province's natural, historical and cultural resources.* – The government continued to increase the area within the province designated as parks and protected areas. In 2000-01 there was a slight increase in the number of Albertans visiting these areas, and there has been a decline in visitors to provincially-owned historic sites, museums and interpretive centres.
- *Alberta will work with other governments and maintain its strong position in Canada.* – The Alberta government's rating on federal-provincial relations improved last year and continued to be above the four-province average.

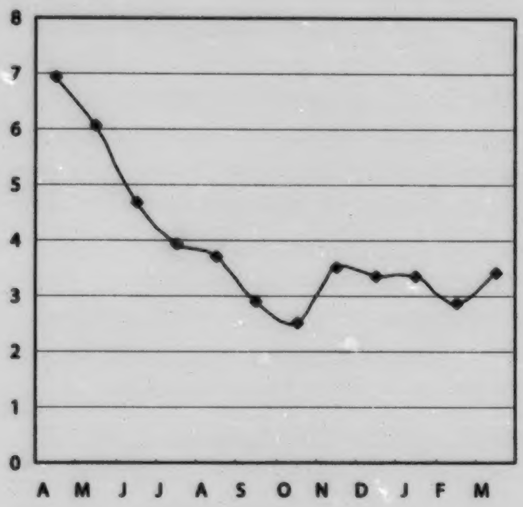
# FINANCIAL RESULTS – MANAGING DOLLARS

- The province lowered its revenue forecast during the first half of the year in response to lower-than-expected energy prices, weakening world economies and a decline in world equity markets.
- This situation, combined with higher-than-budgeted costs for agriculture assistance and forest fire-fighting, required the government to take corrective actions to keep the budget in balance. In October 2001, a freeze on hiring and discretionary spending and the deferral of $735 million in infrastructure projects were announced.
- During the fourth quarter of the fiscal year, the province's fiscal outlook started to recover (primarily due to stronger corporate income tax revenue and a partial recovery in energy prices) and about $350 million of infrastructure funding was restored.
- The province ended the year with an economic cushion of $772 million (excluding the change in pension liabilities). This was $45 million lower than budgeted.

**Oil Prices, 2001-02**
West Texas Intermediate
(US$/barrel)



**Natural Gas Prices, 2001-02**
Alberta Reference Price
Monthly Average
(Cdn$/mcf)

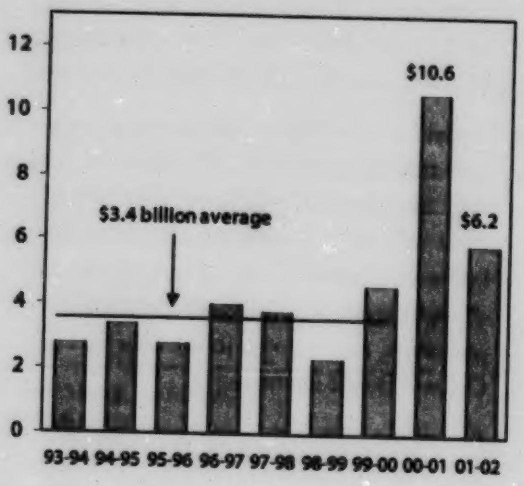


## REVENUE

- Total revenue was $22 billion in 2001-02. This was $3.6 billion, or 13.9%, lower than in 2000-01 and $646 million, or 2.8%, lower than budgeted. The decline in revenue was primarily due to lower natural gas prices and a reduction in investment income.
- **Non-renewable resource revenue** was $6.2 billion in 2001-02. This was $4.4 billion, or 41.2%, lower than in 2000-01 and $1.3 billion, or 17.4%, lower than budgeted.

  Non-renewable resource revenue was at a record level in 2000-01 and was expected to gradually fall back to more 'normal' levels over the following three years. This adjustment took place more quickly than expected, in part due to a rapid slowdown in world economies.

**Non-renewable Resource Revenue**
(billions of dollars)



Natural gas prices fell from an average of Cdn$6.08 per thousand cubic feet in 2000-01 to an average of Cdn$3.94 in 2001-02. This was $1.09 lower than the budget estimate.

Oil prices declined from an average of US$30.20 per barrel in 2000-01 to US$24.17 in 2001-02. This was 83 cents lower than the budget estimate.

- **Tax revenue** was $9 billion in 2001-02. This was an increase of 5.6%, or $472 million from 2000-01, and 6.1%, or $517 million, higher than budgeted.

Personal income tax revenue increased by 6.1% or $240 million from 2000-01, largely due to prior-year adjustments. The growth in tax revenue due to employment and income growth was offset by the 2001 personal income tax cuts. Personal income tax revenue was $106 million higher than budgeted.

Corporate income tax revenue increased by 10.2% or $206 million from 2000-01 largely due to continued strength in energy industry profits. Corporate income tax revenue was $255 million higher than budgeted.

Other tax revenues were essentially unchanged from 2000-01 but $156 million higher than budgeted. The higher-than-budgeted revenue reflected increases in freehold mineral rights, tobacco and school property tax revenues.

- **Transfers from the Government of Canada** were $2.3 billion. This was an increase of 25.2% or $455 million from 2000-01, and $186 million higher than budgeted. The increase was due to higher Canada Health and Social Transfer payments and federal agriculture assistance.
- **Investment income** was $788 million. This was a decrease of 41.6%, or $562 million, from 2000-01 and $468 million lower than estimated in the budget. The decline reflected the weakness in the world equity markets, particularly in the high technology sector.
- **Revenue from all other sources** was $3.8 billion. This was an increase of 12.7%, or $424 million from 2000-01, and $428 million higher than budgeted. This reflected higher revenue from lottery operations, private re-insurance proceeds for crop claims, refunds of prior-year expenditures for energy rebates and increased restricted revenue and expense of the Alberta Dairy Control Board.

## SPENDING

Total spending (including net change in capital assets affecting operations) was $21.3 billion in 2001-02. This was $2 billion, or 10.7% higher than in 2000-01. The year-over-year increase reflects:

- $1 billion increase in spending on infrastructure (including education, transportation and health capital);
- $1.2 billion net increase in program spending for health, education, agriculture assistance and other areas (excluding spending on infrastructure); and
- $206 million decrease in debt servicing costs.

Spending in 2001-02 was $601 million, or 2.8% lower than estimated in the budget primarily due to lower energy shielding costs and deferral of some infrastructure projects.

On a functional basis, health and education accounted for 61% of total expense. Major changes in spending from the previous year and from budget include:

- **Health** spending increased by $862 million or 14.5% from 2000-01 to $6.8 billion. This additional spending supported the increased costs of drugs and health services, wage settlements and initiatives to improve access. Spending was $350 million less than budgeted primarily due to the deferral of some health capital projects.
- **Education** spending increased by $1,075 million or 21.4% from 2000-01 to $6.1 billion. Operating grants were increased for both basic and post-secondary education to cover rising costs and enrollment. There was a $748 million increase in the construction and modernization of schools and post-secondary facilities. Spending was $33 million higher than budgeted primarily due to infrastructure spending.
- **Social Services** spending increased by $154 million or 8.6% over 2000-01 to $1.9 billion. This reflected increased spending on children's services and services for Albertans' with disabilities. Spending was $8 million higher than budgeted.
- **Agriculture and Economic Development** spending increased by $391 million or 35.1% over 2000-01 to $1.5 billion. This was also $221 million higher than budgeted. The increase reflected enhanced agriculture and drought assistance, higher crop insurance payments, and changes in the Alberta Dairy Control Board mandate.

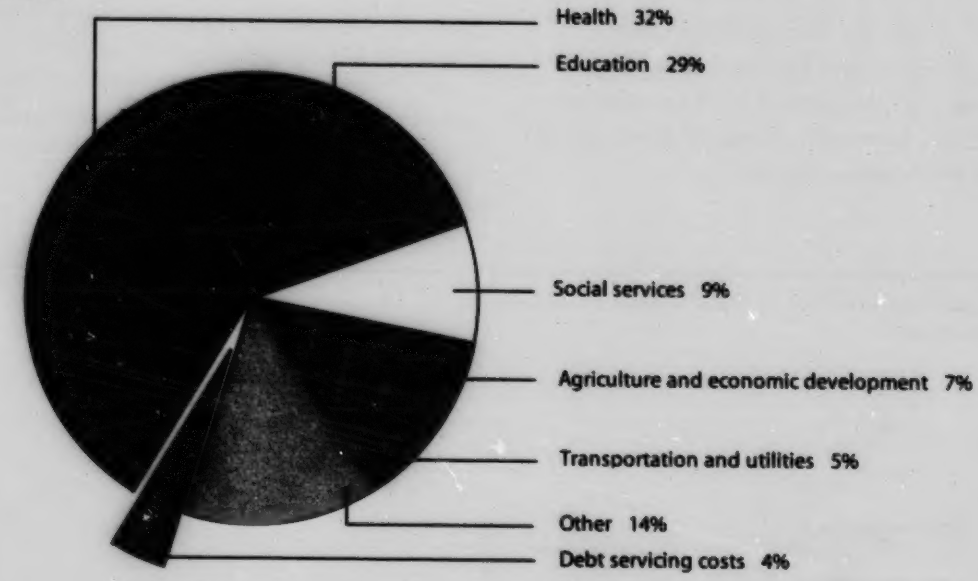
  Part of the higher-than-budgeted spending was offset by increases in dedicated revenue from the Alberta Dairy Control Board, crop re-insurance payments and federal agriculture assistance programs.
- **Transportation and Utilities** spending decreased by $546 million or 33.1% from 2000-01 to $1.1 billion. The decrease was totally due to a $588 million reduction in energy shielding program costs. Actual capital investment on construction and operation of the transportation system increased by nearly 14% (using capital investment rather than capital amortization costs).

  Spending was $524 million lower than budgeted. Lower spending on energy shielding programs accounted for $396 million of the reduction. The remaining $128 million reduction was due to deferred infrastructure projects and other changes.
- **Other Program** spending increased by $165 million, or 6.5%, from the previous year to $2.7 billion. This included higher spending for forest fire-fighting, police services and Crown prosecutors.

Spending was $75 million lower than budgeted, largely due to a hiring freeze, reductions in discretionary spending and the reclassification of SuperNet spending as capital investment (which reduced program spending by $48 million).

- **Debt Servicing Costs** were $206 million lower than in 2000-01 as a result of repayment of debt. Debt servicing costs were $24 million higher than budgeted due to an increase in the foreign exchange provision on debt held in U.S. dollars.
- **Net Change in Assets Affecting Operations** – The province's bottom line is based on actual capital expenditure on government-owned capital rather than the amortized costs (which are included in program expense). The net change in assets affecting operations line converts capital expense to a pay-as-you-go basis. Actual capital spending on government owned projects exceeded the amortization provision by $336 million in 2001-02. This was $62 million higher than the budget estimate and $151 million higher than in 2000-01.

**Expense by Function**
(Percentage)



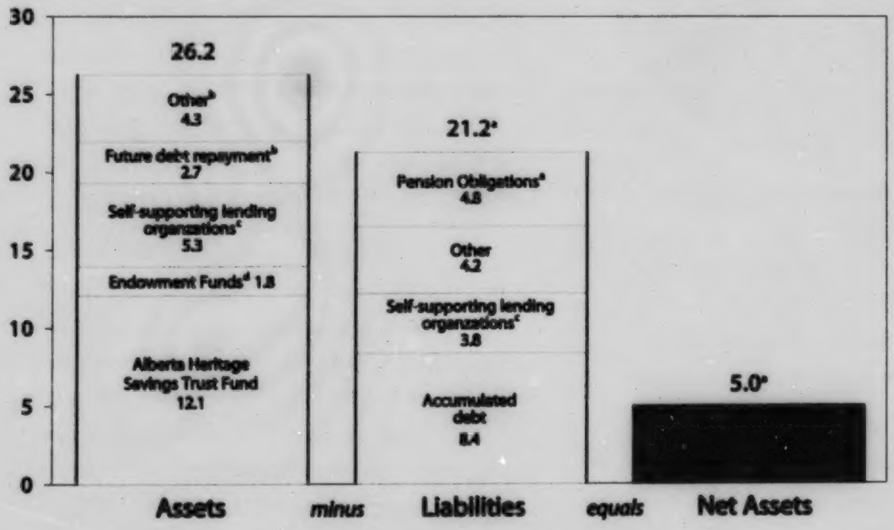
## DEBT REPAYMENT AND INCREASE IN FINANCIAL ASSETS

- Based on 2001-02 final results, the province is currently ten years ahead of its legislated schedule to eliminate accumulated debt.
- At March 31, 2002, accumulated debt less cash set aside for future debt repayment equalled $5.7 billion.
- Most of the reduction in accumulated debt in 2001-02 is due to exceptionally high revenue accrued in 2000-01. As noted in the *2000-01 Annual Report*, some of the cash from accrued natural gas royalties would not become available for debt repayment until 2001-02.
- The allocation for debt repayment from 2001-02 operations was based on a March preliminary actual forecast of the economic cushion. The actual year-end cushion was about $400 million higher.
- This additional cash, which is currently reported as a financial asset on the balance sheet, will be transferred in 2002-03 to the debt repayment account. Including this transfer, accumulated debt less cash set aside will be $5.3 billion.

**ACCUMULATED DEBT**
*(millions of dollars)*

| | 2000-01 | 2001-02 |
|---|---|---|
| Accumulated debt (start of year) | 12,490 | 10,265 |
| Repayment of debt maturities | 2,225 | 1,849 |
| Accumulated debt (end of year) | 10,265 | 8,416 |
| Cash set aside for future debt payment | 2,070 | 2,741 |
| **Accumulated debt less cash set aside** | 8,195 | 5,675 |
| Cash to be transferred in 2002-03 | | 414 |
| | | 5,261 |

**Assets, Liabilities and Net Assets at March 31, 2002**
(billions of dollars)



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[a] Pension obligations of $4.8 billion are scheduled for elimination under a separate 1993 legislated plan. For purposes of the *Fiscal Responsibility Act* liabilities do not include pension obligations. This results in $9.8 billion in net assets (excluding pension obligations).

[b] $414 million to be transfered in 2002-03 from other assets to the special account for future debt repayment.

[c] Includes Alberta Municipal Financing Corporation, Agriculture Financial Services Corporation and Alberta Opportunity Company.

[d] Includes Alberta Heritage Foundation for Medical Research Endowment Fund, Alberta Heritage Scholarship Fund and Alberta Heritage Science and Engineering Research Endowment Fund.

## LOOKING AHEAD

In 2001-02, Alberta faced dramatically changing circumstances. Energy prices dropped sharply, world economies weakened and terrorist actions sent shock waves throughout society.

Albertans and their government were able to adjust to these changing circumstances. Alberta's economy remained the strongest in the country. The budget remained balanced and debt was reduced. Funding increases were provided for Albertans' key priorities and $3 billion in infrastructure funding was provided to address growth pressures.

The government continued to consult with Albertans over future directions to be taken. The Future Summit asked Albertans about their vision for the future. The Premier's Advisory Council on Health completed its report on health reform and new policy directions will be implemented based on these recommendations.

Further consultations in other key priority areas are planned or underway, including:

- A review of the fiscal framework of the province by the Financial Management Commission.
- A review of provincial/municipal partnerships.
- A broad review of the learning system.
- A review of Alberta's water strategy.

Next year, the government will again report completely and openly on what was achieved – both in measuring progress towards goals and in managing the province's finances.

Throughout the 2002-03 fiscal year, Albertans will also receive regular quarterly reports on the government's fiscal situation and activities.

**2001-02 Annual Report**
GOVERNMENT OF ALBERTA

# Consolidated Financial Statements

CONSOLIDATED FINANCIAL STATEMENTS

# Consolidated Financial Statements of the Province of Alberta

## Year ended March 31, 2002

### INTRODUCTION

The financial statements in this annual report of the Government of Alberta are consolidations of ministry consolidated financial statements, which themselves are consolidations of the financial statements of departments, regulated funds, Provincial agencies and Crown-controlled corporations, for which separate financial statements are presented in ministry annual reports. A listing of these organizations is provided in Schedule 16 to the financial statements.

The method of consolidation is described in the Accounting Policies note that forms part of the financial statements.

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Responsibility for the integrity and objectivity of the consolidated financial statements of the Province of Alberta rests with the government. The consolidated financial statements are prepared by the Controller under the general direction of the Deputy Minister of Finance, as authorized by the Minister of Finance pursuant to the *Financial Administration Act*. The consolidated financial statements are prepared in accordance with the government's stated accounting policies, and of necessity include some amounts that are based on estimates and judgements. As required by the *Government Accountability Act*, the consolidated financial statements are included in the consolidated annual report of the Government of Alberta that forms part of the Public Accounts.

To fulfill its accounting and reporting responsibilities, the government maintains systems of financial management and internal control which give consideration to costs, benefits and risks, and which are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability for public money, and
- safeguard the assets and properties of the Province of Alberta under government administration.

Under the *Financial Administration Act*, deputy heads are responsible for the collection of revenue payable to the Crown, and for making and controlling disbursements with respect to their departments. They are also responsible for prescribing the accounting systems to be used in their departments. In order to meet government accounting and reporting requirements, the Controller obtains information relating to departments, regulated funds, and Provincial agencies from ministries as necessary.

The consolidated financial statements are reviewed by the Audit Committee established under the *Auditor General Act*. Under the *Fiscal Responsibility Act*, the Audit Committee must report publicly to the Executive Council on the progress made in eliminating the accumulated debt. The Audit Committee advises the Lieutenant Governor in Council on the scope and results of the Auditor General's audit of the government.

The Auditor General of Alberta provides an independent opinion on the consolidated financial statements prepared by the government. The duties of the Auditor General in that respect are contained in the *Auditor General Act*.

Annually, the consolidated annual report is tabled in the Legislature as a part of the Public Accounts and is referred to the Standing Committee on Public Accounts of the Legislative Assembly.

Approved on behalf of the Finance Department:

Peter Kruselnicki, P.Eng.
Deputy Minister of Finance

Tim Wiles, CA
Controller

Edmonton, Alberta
June 20, 2002

AUDITOR
GENERAL
*Alberta*

## AUDITOR'S REPORT

To the Members of the Legislative Assembly

I have audited the consolidated statements of financial position and capital assets of the Province of Alberta as at March 31, 2002 and the consolidated statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the government of Alberta and are prepared on its behalf by Finance Department management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position and capital assets of the Province of Alberta as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting as described in Note 1 to the consolidated financial statements.

Fred J Dunn, CA
Auditor General

Edmonton, Alberta
June 20, 2002

# Consolidated Statement of Operations

**YEAR ENDED MARCH 31, 2002**

| | *In millions* | | |
|---|---|---|---|
| | **2002** | | **2001** |
| | **Budget (Note 4)** | **Actual** | **Actual** |
| **Revenues** (Schedule 1) | | | |
| Income taxes | $ 6,051 | $ 6,412 | $ 5,966 |
| Other taxes | 2,407 | 2,563 | 2,537 |
| Non-renewable resource revenue | 7,536 | 6,227 | 10,586 |
| Transfers from Government of Canada | 2,078 | 2,264 | 1,809 |
| Net income from commercial operations | 1,643 | 1,778 | 1,636 |
| Fees, permits and licences | 1,314 | 1,363 | 1,295 |
| Investment income | 1,256 | 788 | 1,350 |
| Other | 388 | 632 | 418 |
| | 22,673 | 22,027 | 25,597 |
| **Expenses by function** (Schedules 2 and 3) | | | |
| Health | 7,141 | 6,791 | 5,929 |
| Education | 6,066 | 6,099 | 5,024 |
| Social services | 1,934 | 1,942 | 1,788 |
| Agriculture and economic development | 1,285 | 1,506 | 1,115 |
| Transportation and utilities | 1,626 | 1,102 | 1,648 |
| Protection of persons and property | 648 | 633 | 566 |
| Regional planning and development | 478 | 461 | 516 |
| Environment and resource conservation | 465 | 552 | 445 |
| Recreation and culture | 349 | 277 | 339 |
| Housing | 137 | 142 | 104 |
| General government | 703 | 640 | 570 |
| Debt servicing costs | 750 | 774 | 980 |
| Pension provisions | 30 | 29 | 14 |
| | 21,612 | 20,948 | 19,038 |
| **Excess of revenues over expenses** | 1,061 | 1,079 | 6,559 |
| **Net increase in capital assets affecting operations** (Schedule 5) | (274) | (336) | (185) |
| **Net results of operations** | $ 787 | $ 743 | $ 6,374 |
| Under legislation, pension provisions are excluded for fiscal policy purposes (Note 5) | | | |
| Net results of operations | $ 787 | $ 743 | $ 6,374 |
| Add pension provisions included in expenses | 30 | 29 | 14 |
| Net results for fiscal policy purposes | $ 817 | $ 772 | $ 6,388 |

The accompanying notes and schedules are part of these financial statements.

# Consolidated Statement of Financial Position

**MARCH 31, 2002**

| | *In millions* 2002 | *In millions* 2001 |
|---|---|---|
| **Financial assets** | | |
| Cash and temporary investments (Schedule 6) | $ 1,942 | $ 1,309 |
| Accounts and accrued interest receivable | 1,729 | 4,787 |
| Portfolio investments (Schedule 7) | 16,761 | 15,419 |
| Equity in commercial enterprises (Schedule 8) | 889 | 664 |
| Loans and advances (Schedule 9) | 4,879 | 4,673 |
| Inventories held for resale (Schedule 10) | 52 | 69 |
| | 26,252 | 26,921 |
| **Liabilities** | | |
| Accounts and accrued interest payable | 3,356 | 3,127 |
| Unmatured debt (Note 5) (Schedule 11) | 8,465 | 9,976 |
| Debt of Alberta Municipal Financing Corporation (Schedule 12) | 3,431 | 3,443 |
| Pension obligations (Schedule 13) | 4,771 | 4,742 |
| Other accrued liabilities (Schedule 14) | 1,058 | 1,194 |
| Equity of Alberta Municipal Financing Corporation (Schedule 12) | 128 | 139 |
| | 21,209 | 22,621 |
| **Net assets** | $ 5,043 | $ 4,300 |
| **Net assets (debt) at beginning of year** | $ 4,300 | $ (2,074) |
| **Net results of operations for the year** | 743 | 6,374 |
| **Net assets at end of year** | $ 5,043 | $ 4,300 |
| Under legislation, pension obligations are excluded for fiscal policy purposes (Note 5) | | |
| Net assets at end of year | $ 5,043 | $ 4,300 |
| Add pension obligations | 4,771 | 4,742 |
| Net assets for fiscal policy purposes | $ 9,814 | $ 9,042 |

The accompanying notes and schedules are part of these financial statements.

# Consolidated Statement of Changes in Financial Position

**YEAR ENDED MARCH 31, 2002**

| | *In millions* | |
|---|---|---|
| | **2002** | **2001** |
| **Operating activities** | | |
| Net results of operations for the year | $ 743 | $ 6,374 |
| Non-cash items included in net results of operations | (83) | 22 |
| | 660 | 6,396 |
| Decrease (increase) in receivables | 3,058 | (2,535) |
| Increase in payables | 229 | 688 |
| Decrease in equity of Alberta Municipal Financing Corporation | (11) | (123) |
| Other | (107) | (184) |
| Cash provided by operating activities | 3,829 | 4,242 |
| **Investing activities** | | |
| Purchase of portfolio investments | (18,609) | (15,653) |
| Disposals of portfolio investments | 17,367 | 13,261 |
| Loans and advances made | (778) | (459) |
| Repayment of loans and advances | 609 | 545 |
| Cash applied to investing activities | (1,411) | (2,306) |
| **Financing activities** | | |
| Debt retirement | (9,102) | (14,406) |
| Debt issues | 7,317 | 12,240 |
| Cash applied to financing activities | (1,785) | (2,166) |
| **Increase (decrease) in cash and temporary investments** | 633 | (230) |
| **Cash and temporary investments at beginning of year** | 1,309 | 1,539 |
| **Cash and temporary investments at end of year** | $ 1,942 | $ 1,309 |

The accompanying notes and schedules are part of these financial statements.

# Consolidated Statement of Capital Assets

**MARCH 31, 2002**

|  | *In millions* |  |
|---|---|---|
|  | **2002** | **2001** |
|  | **Net Book Value (Note 8)** |  |
| **General capital assets** |  |  |
| Land | $ 1,199 | $ 1,187 |
| Buildings | 1,593 | 1,648 |
| Equipment | 93 | 56 |
| Computer hardware and software | 207 | 151 |
| Other | 64 | 62 |
|  | 3,156 | 3,104 |
| **Infrastructure assets** |  |  |
| Land improvements | 85 | 87 |
| Provincial highways, roads and airstrips | 5,460 | 3,508 |
| Bridges | 571 | 447 |
| Dams and water management structures | 869 | 856 |
|  | 6,985 | 4,898 |
|  | $ 10,141 | $ 8,002 |

The accompanying notes and schedules are part of these financial statements.

# Notes to the 2001-02 Consolidated Financial Statements

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

These financial statements are prepared in accordance with the following accounting policies.

### A) REPORTING ENTITY

These financial statements include the accounts of the Offices of the Legislative Assembly and all government entities including departments, the Alberta Heritage Savings Trust Fund, and other regulated funds, Provincial agencies and Crown-controlled corporations. A listing of these organizations is provided in Schedule 16. Accountable organizations such as universities, public colleges, technical institutes, regional health authorities and school boards are not included in the consolidated financial statements.

### B) METHOD OF CONSOLIDATION

The accounts of the Offices of the Legislative Assembly, departments, regulated funds and Provincial agencies, except those designated as commercial enterprises, are consolidated after adjusting them to a basis consistent with the accounting policies described below in (c). Revenue and expenditure transactions, investing and financing transactions, and related asset and liability accounts between consolidated entities have been eliminated.

The accounts of Crown-controlled corporations and Provincial agencies designated as commercial enterprises are reported on an equity basis, the equity being computed in accordance with generally accepted accounting principles.

The year end of some Provincial agencies is other than March 31. Transactions of these agencies that have occurred during the period to March 31, 2002 and that significantly affect the consolidation have been recorded.

### C) BASIS OF FINANCIAL REPORTING

#### Reporting the Results of Operations

The Consolidated Statement of Operations reports revenues of the year (including proceeds from disposal of capital assets), expenses (including the cost of capital assets consumed during the year, i.e., amortization of capital assets), and the excess of revenues over expenses. The excess of revenues over expenses is then adjusted within the Consolidated Statement of Operations for the difference between the cost of capital assets consumed and the cost of capital assets acquired during the year. The net results of operations for the year is applied to increase net assets.

**NOTE 1** (continued)

### Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue and included in accounts payable.

### Expenses

Expenses represent the cost of resources consumed during the year on government operations. Expenses include provisions for amortization of acquired capital property and expenses incurred in accordance with the conditions of approved grant programs, including grants for capital purposes.

Pension costs comprise the cost of pension benefits earned by employees during the year, interest on the Province's share of the unfunded pension liability, and the amortization over the expected average remaining service life of employees of deferred adjustments arising from experience gains and changes in actuarial assumptions. In the Consolidated Statement of Operations, pension costs which are funded are included in expenses by function and costs which have not been funded are recorded as pension provisions.

Costs arising from obligations under guarantees and indemnities are recorded as expenses when management determines that the Province will likely be called upon to make payment. The expense represents management's estimate of future payments less recoveries.

Any adjustments to the Province's obligations to provide future funding to school boards to enable them to repay the principal portion of their debentures to the Alberta Municipal Financing Corporation are recorded as expenses.

The estimated increase or decrease for the year in accrued employee vacation entitlements is also recorded in the appropriate expense function.

No provision is made in the financial statements for commitments, details of which are disclosed in Note 6.

### Net Increase in Capital Assets Affecting Operations

The net increase in capital assets affecting operations accounts for the inclusion of the cost of capital assets acquired during the year, and the exclusion of the annual amortization provision.

### Financial Assets

Financial assets are limited to financial claims on external organizations and individuals and inventories held for resale at the year end.

Temporary investments are valued at cost or fair value, whichever is lower, on an aggregate basis.

Portfolio investments, which are investments to provide income for the long term, are carried at cost. Realized gains and losses on disposals of these investments are included in the determination of net results of operations for the year. Where there has been a loss in value of an investment that is other than a temporary decline, the investment is written down to recognize the loss. The written down value is deemed to be the new cost.

**NOTE 1** (continued)

Loans are recorded at cost less any unearned income and allowance for credit loss. Discounts recorded as the result of interest rate reductions given on loans to local authorities are amortized to investment income over the term of the loans.

Inventories representing the Province's share of royalty oil in feeder and trunk pipelines are stated at net realizable value. Other inventories are valued at the lower of cost, determined on a first-in, first-out basis, and estimated net realizable value.

### Liabilities

Liabilities include all financial claims payable by the Province at the year end.

Debentures included in unmatured debt are recorded at the face amount of the issue less net unamortized discount, which includes issue expenses and hedging costs.

Income or expense on interest rate swaps and forward interest rate agreements used to manage interest rate exposure is recorded as an adjustment to debt servicing costs. The exchange gain or loss on the foreign exchange contracts used to manage currency exposure is deferred and amortized over the life of the contract.

Liabilities also include the following:

- estimates of the present value of the Province's obligations for future pension contributions and/or benefits under defined benefit pension plans for provincial and other public sector employees, and certain current and former Members of the Legislative Assembly, including deferred adjustments,
- the Province's obligation to provide future funding to school boards to enable them to repay the principal portion of their debentures to the Alberta Municipal Financing Corporation, and
- accrued employee vacation entitlements.

### Foreign Currency

Assets and liabilities denominated in foreign currency are translated at the year end rate of exchange.

Foreign currency transactions are translated into Canadian dollars using average rates of exchange, except for hedged foreign currency transactions which are translated at rates of exchange established by the terms of the forward exchange contracts.

Amortization of deferred exchange gains and losses and other exchange differences on unhedged transactions are included in the determination of net results of operations for the year.

### Measurement Uncertainty

Estimates are used in accruing revenues and expenses in circumstances where the actual accrued revenues and expenses are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonably possible amount, as there is whenever estimates are used.

**NOTE 1** (continued)

Measurement uncertainty that is material to these financial statements exists in the accrual of personal and corporate income taxes, royalties derived from non-renewable resources, and provisions for pensions and loans and advances. The nature of the uncertainty in these items arises from several factors such as the effect on accrued taxes of the verification of taxable income, the effect on accrued royalties of the receipt of revised production data and reassessments, the effect on accrued pension obligations of actual experience compared to assumptions, and the effect on loans and advances of actual collectibility and changes in economic conditions.

While best estimates have been used for reporting items subject to measurement uncertainty, management considers that it is possible, based on existing knowledge, that changes in future conditions in the near term could require a material change in the recognized amounts. Near term is defined as a period of time not to exceed one year from the date of the financial statements.

### Capital Assets

Capital assets of commercial enterprises and Crown-controlled corporations are included in the consolidated statement of financial position within equity in commercial enterprises. Other capital assets are not included in the Province's financial position but are reported in a separate consolidated statement of capital assets, with additional disclosure in Note 8.

Those capital assets in the separate financial statement are restricted to capital assets the Province acquired for cash or for other assets. Assets acquired by right, such as Crown lands, forests, water and mineral resources, are not included. In addition, assets paid for by other parties, such as the federal government, are excluded.

The historical cost of capital assets in Note 8 is estimated and amortization is calculated on a straight line basis over the periods expected to benefit from their use, and the annual amortization is included in the expenses reported in the Consolidated Statement of Operations. The annual amortization of the costs of capital assets is allocated to the functions of the government that employ those assets.

## NOTE 2 VALUATION OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, accrued interest, receivables and payables are estimated to approximate their book values. Fair values of some of the loans and advances are not reported due to there being no organized financial market for all of the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair values with sufficient reliability.

The fair value of unmatured debt and debt of Alberta Municipal Financing Corporation is an approximation of its fair value to the holder.

The methods used to determine the fair values of temporary investments and portfolio investments are as follows:

Public fixed-income securities and equities are valued at the year-end closing sale price, or the average of the latest bid and ask prices quoted by an independent securities valuation company.

Mortgages and certain non-public provincial debentures are valued based on the net present value of future cash flows. These cash flows are discounted using appropriate interest rate premiums over similar Government of Canada benchmark bonds trading in the market.

**NOTE 2** (continued)

The fair value of private equities is estimated by management.

Real estate investments are reported at their most recent appraised value, net of any liabilities against the real property. Real estate properties are appraised annually by qualified external real estate appraisers.

At the year end, the fair value of investments and any other assets and liabilities denominated in a foreign currency are translated at the year end exchange rate.

## NOTE 3 RISK MANAGEMENT

### A) LIABILITY MANAGEMENT

The objective of the Province's liability management program is to achieve the lowest cost on debt within an acceptable degree of variability of debt servicing costs. In order to achieve this objective, the Province manages four risks - interest rate risk, currency exchange risk, credit risk, and refinancing risk. The Province manages these four risks within approved policy guidelines. The management of these risks and the policy guidelines apply to the Province's direct debt, excluding debt raised to fund requirements of provincial corporations and regulated funds. Debt of provincial corporations and regulated funds is managed separately in relation to their assets.

The Province decided in February 2001, in light of the current debt reduction environment, that the most effective liability risk management strategy would be to allow existing debt instruments to mature in accordance with their terms.

### B) ASSET MANAGEMENT

The majority of the Province's portfolio investments are in the Alberta Heritage Savings Trust Fund (Heritage Fund).

The Heritage Fund is comprised of two portfolios. The Endowment portfolio is being held for the long term and has the objective of maximizing long-term financial returns. The asset mix policy for the portfolio is 25% to 45% fixed-income instruments and 75% to 55% equities. The Transition portfolio consists mainly of Canadian fixed-income securities and has the objective of providing income support to the government's fiscal plan over the short to medium term.

The General Revenue Fund also holds substantial amounts of the Province's portfolio investments. Portfolio investments of the General Revenue Fund are used to repay debt as it matures.

The investments in the Alberta Heritage Foundation for Medical Research Endowment Fund, the Alberta Heritage Science and Engineering Research Endowment Fund and the Alberta Heritage Scholarship Fund are managed to preserve the capital of the funds over the long term and to provide an annual level of income to intermediary boards responsible for making grants to researchers in the fields of medicine, science and engineering, and to students.

## NOTE 4 BUDGET

The budget amounts were derived from Budget 2001 tabled in the Legislature on April 24, 2001.

The following table compares the Province's net financial position with the March 31, 2002 estimate provided in Budget 2001. The table uses the same grouping of financial assets and liabilities as the budget.

| | *In millions* | | |
|---|---|---|---|
| | 2002 | | 2001 |
| | Estimate | Actual | Actual |
| **Financial assets** | | | |
| Heritage Fund external investments | $ 12,122 | $ 12,151 | $ 11,948 |
| Endowment funds (a) | 1,894 | 1,768 | 1,866 |
| Self-supporting lending organizations (b) | 4,991 | 5,260 | 5,207 |
| Funds available for debt repayment (Note 5) | 2,120 | 2,741 | 2,070 |
| Other financial assets | 2,766 | 4,332 | 5,830 |
| | 23,893 | 26,252 | 26,921 |
| **Liabilities** | | | |
| Accumulated debt | 8,580 | 8,416 | 10,265 |
| Pension obligations | 4,758 | 4,771 | 4,742 |
| Self-supporting lending organizations (b) | 3,629 | 3,832 | 3,915 |
| Accounts and interest payable and other liabilities | 2,542 | 4,331 | 3,945 |
| Less debt held internally by consolidated entities | (174) | (141) | (246) |
| | 19,335 | 21,209 | 22,621 |
| **Net assets for financial statement purposes** | 4,558 | 5,043 | 4,300 |
| Less pension obligations | 4,758 | 4,771 | 4,742 |
| **Net assets for fiscal policy purposes** | $ 9,316 | $ 9,814 | $ 9,042 |

a) Alberta Heritage Foundation for Medical Research Endowment Fund, Alberta Heritage Science and Engineering Research Endowment Fund and Alberta Heritage Scholarship Fund.

b) Alberta Municipal Financing Corporation, Agriculture Financial Services Corporation and Alberta Opportunity Company.

## NOTE 5 FISCAL RESPONSIBILITY LEGISLATION

During 2001-02 the Province complied with the Fiscal Responsibility Act (the Act). The Act, which came into force on April 1, 1999, requires that actual expenditure during a fiscal year, not including changes in pension obligations, must not be more than actual revenue.

Under the Act, starting accumulated debt, as defined, was initially determined at March 31, 2000 and must be reduced by a specified percentage in each subsequent five-year period such that accumulated debt must be eliminated by March 31, 2025.

**NOTE 5** (continued)

The table below shows the progress made in eliminating accumulated debt during 2001-02.

| | In millions | |
|---|---|---|
| | 2002 | 2001 |
| Unmatured debt (Schedule 11) | $ 8,465 | $ 9,976 |
| Funding obligation for school board debentures (Schedule 14) | 698 | 793 |
| Adjustments to conform to statutory definition | | |
| Borrowings for provincial corporations | (888) | (750) |
| Other | 141 | 246 |
| Accumulated debt at end of year | $ 8,416 | $ 10,265 |

In addition, Note 4 shows that funds amounting to $2,741 million (2001 $2,070 million), at cost, have been set aside to retire accumulated debt that has not yet matured:

| | 2002 | | 2001 |
|---|---|---|---|
| | Estimate | Actual | Actual |
| Accumulated debt at end of year | $ 8,580 | $ 8,416 | $ 10,265 |
| Funds available for debt repayment | 2,120 | 2,741 | 2,070 |
| Accumulated debt less funds set aside | $ 6,460 | $ 5,675 | $ 8,195 |

## NOTE 6 COMMITMENTS

| | In millions | |
|---|---|---|
| | 2002 | 2001 |
| Obligations under long-term leases, contracts and programs | $ 5,019 | $ 6,334 |
| Loans and advances approved | 43 | 47 |
| | $ 5,062 | $ 6,381 |

Estimated payment requirements for each of the next five years and thereafter are as follows:

| | In millions |
|---|---|
| 2002-03 | $ 590 |
| 2003-04 | 303 |
| 2004-05 | 238 |
| 2005-06 | 236 |
| 2006-07 | 22 |
| Thereafter | 3,673 |
| | $ 5,062 |

The government has various commitments relating to the devolution of services or disposition of assets to the private sector. Those commitments include the performance of duties and obligations if the private sector organization fails to meet them.

## NOTE 7 CONTINGENCIES

Set out below are details of contingencies resulting from guarantees, indemnities and litigation, other than those reported as liabilities and shown in Schedule 14. Any losses arising from the settlement of contingencies are treated as current year expenses.

### A) INDEMNITIES AND GUARANTEES

The Province had agreed to indemnify and fund interest to the extent necessary on $335 million of debentures issued by S C Financial Ltd. to credit unions in exchange for stabilization preferred shares of the credit unions. The indemnity was to expire on October 31, 2010. The Province entered into a new agreement during the year and the indemnity will now expire on October 31, 2002. The estimated payment required on that date to terminate the indemnity is accounted for as a liability and disclosed in Schedule 14.

Guarantees amounting to $313 million (2001 $404 million) are analyzed in Schedule 15.

### B) CONTINGENCIES OF COMMERCIAL ENTERPRISES

The Credit Union Deposit Guarantee Corporation has a potential liability under guarantees relating to deposits of credit unions. At December 31, 2001 credit unions in Alberta held deposits totalling $6.9 billion (2000 $6.1 billion) and had assets in excess of deposits.

At March 31, 2002, Alberta Treasury Branches had a potential liability under guarantees and letters of credit amounting to $444 million (2001 $415 million). In 1998-99, Alberta Treasury Branches initiated legal actions which resulted in counterclaims aggregating $476 million. The eventual outcome of these claims and counterclaims is not determinable.

N.A. Properties (1994) Ltd. has provided guarantees of principal and interest on mortgages sold to Canadian Western Bank. The principal and interest on these mortgages totalled $7 million at March 31, 2002 (2001 $14 million).

### C) LEGAL ACTIONS

At March 31, 2002, the Province was involved in various legal actions, the outcome of which is not determinable. Accruals have been made in specific instances where it is probable that losses will be incurred which can be reasonably estimated. The resulting loss, if any, from claims in excess of the amounts accrued cannot be determined.

The Province has a contingent liability in respect of 44 claims (2001 42) concerning aboriginal rights, Indian title and treaty rights. In most cases, these claims have been filed jointly and severally against the Province of Alberta and the Government of Canada, and in some cases involve third parties. Of these claims, 23 (2001 24) have specified amounts totalling $65.5 billion (2001 $65.9 billion) plus a provision for interest and other costs that are not calculable. The other 21 claims (2001 18) have not specified any amounts.

Further, the Province was named as defendant in various other legal actions in addition to those noted above. The total claimed in specific legal actions amounts to approximately $3.6 billion (2001 $3.9 billion).

## NOTE 8 CAPITAL ASSETS

The following information is provided to supplement the Consolidated Statement of Capital Assets.

Capital assets held and available for use at the end of the year are shown below by type of asset.

| | | *In millions* | | | |
|---|---|---|---|---|---|
| | | 2002 | | | 2001 |
| | Estimated Useful Life | Cost | Accumulated Amortization | Net Book Value | Net Book Value |
| General capital assets | | | | | |
| Land | Indefinite | $ 1,199 | $ - | $ 1,199 | $ 1,187 |
| Buildings | 40 years | 2,841 | 1,248 | 1,593 | 1,648 |
| Equipment | 3-10 years | 225 | 132 | 93 | 56 |
| Computer hardware and software | 5-10 years | 466 | 259 | 207 | 151 |
| Other | 20-50 years | 188 | 124 | 64 | 62 |
| | | 4,919 | 1,763 | 3,156 | 3,104 |
| Infrastructure assets | | | | | |
| Land improvements | 10-40 years | 185 | 100 | 85 | 87 |
| Provincial highways, roads and airstrips | 50 years | 7,349 | 1,889 | 5,460 | 3,508 |
| Bridges | 50 years | 749 | 178 | 571 | 447 |
| Dams and water management structures | 25-80 years | 1,063 | 194 | 869 | 856 |
| | | 9,346 | 2,361 | 6,985 | 4,898 |
| | | $ 14,265 | $ 4,124 | $ 10,141 | $ 8,002 |

Land includes land acquired for parks and recreation, building sites, infrastructure and other program use. It does not include land held for resale or Crown lands acquired by right.

Equipment includes vehicles, heavy equipment, fire protection equipment, office equipment and furniture, and other equipment.

Other capital assets include leasehold improvements (amortized over the life of the lease), rail cars and trailers.

Land improvements include parks development and grazing reserves.

Provincial highways and roads consist of original pavement, roadbed, drainage works and traffic control devices. Effective April 1, 2000, the Province agreed to assume responsibility from municipalities for the construction and maintenance of secondary highways and bridges and some key arterial roadways within cities. As a result, the majority of the secondary highways, bridges and arterial roadways were transferred to the Province during the year ended March 31, 2002, as well as in the prior year.

Dams and water management structures include dams, reservoirs, weirs, canals, dikes, ditches, channels, diversions, cut-offs, pump houses and erosion protection structures.

**NOTE 8** (continued)

Changes to capital assets were as follows:

| | In millions | |
|---|---|---|
| | 2002 | 2001 |
| Net book value at beginning of year | $ 8,002 | $ 7,259 |
| Capital assets acquired | 643 | 443 |
| Capital assets transferred from municipalities | 1,830 | 587 |
| Amortization provision | (307) | (258) |
| Disposals and write-downs | (27) | (29) |
| Net book value at end of year | $10,141 | $ 8,002 |

## NOTE 9 TRUST FUNDS UNDER ADMINISTRATION

Trust funds under administration are regulated and other funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purposes of various trusts, they are not included in the consolidated financial statements.

At March 31, 2002, trust funds under administration were as follows:

| | In millions | |
|---|---|---|
| | 2002 | 2001 |
| Public Sector Pension Plan Funds | $17,131 | $ 16,797 |
| Teachers' Pension Plan Funds | 2,391 | 2,208 |
| The Workers' Compensation Board Accident Fund | 2,031 | 2,265 |
| Regional Health Authorities and various health institutions construction accounts | 512 | 267 |
| Public Trustee | 457 | 406 |
| Power Pool of Alberta Balancing Pool | 121 | 813 |
| Special Areas Trust Account | 69 | 64 |
| Various Court Offices and Fines Distribution Trust | 37 | 39 |
| Miscellaneous trust funds | 117 | 88 |
| | $22,866 | $ 22,947 |

## NOTE 10 COMPARATIVE FIGURES

Certain 2001 figures have been reclassified to conform to 2002 presentation.

# Schedules to the 2001-02 Consolidated Financial Statements

**REVENUES**

**Schedule 1**

| | *In millions* | | |
|---|---|---|---|
| | **2002** | | **2001** |
| | **Budget** | **Actual** | **Actual** |
| Income taxes | | | |
| Personal income tax | $ 4,422 | $ 4,503 | $ 4,288 |
| Less Alberta energy tax refund | (345) | (320) | (345) |
| Corporate income tax | 1,974 | 2,229 | 2,023 |
| | 6,051 | 6,412 | 5,966 |
| Other taxes | | | |
| School property tax | 1,048 | 1,094 | 1,151 |
| Fuel tax | 581 | 585 | 581 |
| Tobacco tax | 344 | 373 | 340 |
| Freehold mineral rights tax | 253 | 319 | 256 |
| Insurance corporations tax | 134 | 134 | 119 |
| Hotel room tax | 47 | 56 | 52 |
| Other | - | 2 | 38 |
| | 2,407 | 2,563 | 2,537 |
| Non-renewable resource revenue | | | |
| Natural gas and by-products royalty | 5,494 | 4,030 | 7,200 |
| Crude oil royalty | 881 | 987 | 1,500 |
| Bonuses and sales of Crown leases | 845 | 969 | 1,159 |
| Synthetic crude oil and bitumen royalty | 300 | 185 | 712 |
| Rentals and fees | 170 | 148 | 147 |
| Coal royalty | 11 | 17 | 12 |
| Royalty tax credit | (165) | (109) | (144) |
| | 7,536 | 6,227 | 10,586 |
| Transfers from Government of Canada | | | |
| Canada health and social transfer | 1,482 | 1,655 | 1,411 |
| Agriculture support programs | 244 | 269 | 62 |
| Other | 352 | 340 | 336 |
| | 2,078 | 2,264 | 1,809 |
| Net income from commercial operations | | | |
| Lottery operations | 1,010 | 1,105 | 988 |
| Liquor operations | 478 | 507 | 481 |
| Other | 155 | 166 | 167 |
| | 1,643 | 1,778 | 1,636 |
| Fees, permits and licences | | | |
| Health care insurance premiums | 670 | 708 | 680 |
| Motor vehicle licences | 208 | 215 | 208 |
| Crop and hail insurance premiums | 62 | 65 | 53 |
| Other | 374 | 375 | 354 |
| | 1,314 | 1,363 | 1,295 |
| Investment income | 1,256 | 788 | 1,350 |
| Other | 388 | 632 | 418 |
| | $ 22,673 | $ 22,027 | $ 25,597 |

## EXPENSES BY MINISTRY

**Schedule 2**

| | 2002 Budget | 2002 Actual | 2001 Actual |
|---|---|---|---|
| | *In millions* | | |
| Offices of the Legislative Assembly | $ 58 | $ 54 | $ 50 |
| Ministries | | | |
| Health and Wellness | 6,271 | 6,323 | 5,614 |
| Learning | 4,859 | 4,840 | 4,483 |
| Infrastructure | 2,768 | 2,075 | 1,677 |
| Finance | 1,201 | 1,166 | 1,467 |
| Agriculture, Food and Rural Development | 883 | 1,180 | 762 |
| Human Resources and Employment | 1,055 | 1,018 | 1,007 |
| Transportation | 1,060 | 926 | 884 |
| Children's Services | 648 | 639 | 585 |
| Community Development | 599 | 557 | 553 |
| Seniors | 306 | 304 | 266 |
| Sustainable Resource Development | 204 | 296 | 234 |
| Solicitor General | 253 | 256 | 227 |
| Justice | 220 | 223 | 223 |
| Gaming | 217 | 200 | 181 |
| Innovation and Science | 232 | 182 | 183 |
| Municipal Affairs | 203 | 168 | 161 |
| Energy | 175 | 150 | 141 |
| Revenue | 140 | 134 | 110 |
| Environment | 122 | 124 | 106 |
| Economic Development | 51 | 51 | 50 |
| Government Services | 51 | 50 | 51 |
| Aboriginal Affairs and Northern Development | 30 | 31 | 30 |
| Executive Council | 15 | 14 | 13 |
| International and Intergovernmental Relations | 6 | 6 | 6 |
| Unallocated pension provisions | (15) | (19) | (26) |
| | $ 21,612 | $ 20,948 | $ 19,038 |

## EXPENSES BY OBJECT

**Schedule 3**

| | 2002 | 2001 |
|---|---|---|
| | *In millions* | |
| Grants | $ 15,163 | $ 13,500 |
| Services | 2,367 | 1,989 |
| Salaries, wages, employment contracts and benefits | 1,446 | 1,296 |
| Interest and amortization of exchange gains and losses | 1,039 | 1,283 |
| Amortization provision | 307 | 258 |
| Materials and supplies | 221 | 235 |
| Pension liability funding | 178 | 174 |
| Travel and communication | 126 | 117 |
| Valuation adjustments (Schedule 4) | 51 | 147 |
| Corporate tax interest refunds | 31 | 20 |
| Other | 19 | 19 |
| | $ 20,948 | $ 19,038 |

## VALUATION ADJUSTMENTS

**Schedule 4**

| | *In millions* | | |
|---|---|---|---|
| | **2002** | | **2001** |
| | **Budget** | **Actual** | **Actual** |
| Provision for losses, doubtful accounts, loans, guarantees and indemnities | $ 66 | $ 19 | $ 122 |
| Pension provisions | 30 | 29 | 14 |
| Provision for employee benefits other than pensions | - | 3 | 11 |
| | $ 96 | $ 51 | $ 147 |

## NET INCREASE IN CAPITAL ASSETS AFFECTING OPERATIONS

**Schedule 5**

| | *In millions* | | |
|---|---|---|---|
| | **2002** | | **2001** |
| | **Budget** | **Actual** | **Actual** |
| Cost of capital assets acquired during the year | $ (588) | $ (643) | $ (443) |
| Amortization provision | 314 | 307 | 258 |
| | $ (274) | $ (336) | $ (185) |

## CASH AND TEMPORARY INVESTMENTS

**Schedule 6**

| | *In millions* | | | |
|---|---|---|---|---|
| | **2002** | | **2001** | |
| | **Book Value** | **Fair Value** | **Book Value** | **Fair Value** |
| Fixed-income securities (a) | | | | |
| Government of Canada, direct and guaranteed | $ 225 | $ 225 | $ 215 | $ 215 |
| Provincial, direct and guaranteed | 86 | 87 | 125 | 125 |
| Corporate | 1,320 | 1,321 | 156 | 156 |
| Pooled investment funds | 15 | 15 | 16 | 16 |
| | 1,646 | 1,648 | 512 | 512 |
| Cash and cash equivalents | 296 | 296 | 797 | 797 |
| | $ 1,942 | $ 1,944 | $ 1,309 | $ 1,309 |

a) Fixed-income securities have an average effective market yield of 2.8% per annum (2001 5.8% per annum). All of the securities have terms to maturity of less than two years (2001 94% of the securities had terms to maturity of less than five years).

## PORTFOLIO INVESTMENTS

**Schedule 7**

*In millions*

| | 2002 Book Value | 2002 Fair Value | 2001 Book Value | 2001 Fair Value |
|---|---|---|---|---|
| Fixed-income securities (a)(b)(c) | | | | |
| Government of Canada, direct and guaranteed | $ 753 | $ 756 | $ 1,628 | $ 1,638 |
| Provincial, direct and guaranteed | 975 | 987 | 1,549 | 1,561 |
| Municipal | 140 | 142 | 70 | 72 |
| Corporate | 2,350 | 2,359 | 3,005 | 3,026 |
| Pooled investment funds | 4,272 | 4,168 | 3,327 | 3,270 |
| | 8,490 | 8,412 | 9,579 | 9,567 |
| Equities (c) | | | | |
| Canadian | 2,875 | 3,131 | 2,078 | 2,136 |
| Foreign | 4,733 | 4,581 | 3,311 | 2,902 |
| Real estate | 663 | 694 | 451 | 480 |
| | 8,271 | 8,406 | 5,840 | 5,518 |
| | $ 16,761 | $ 16,818 | $ 15,419 | $ 15,085 |

a) The majority of the Province's fixed-income securities are held by the Alberta Heritage Savings Trust Fund (Heritage Fund). As at March 31, 2002, the Heritage Fund held $5.22 billion (2001 $7.01 billion) of public fixed-income securities at cost (Fair value $5.13 billion (2001 $7.00 billion)). The securities held have an average effective market yield of 5.4% (2001 5.4%) per annum and the following term structure based on principal amount.

| | 2002 | 2001 |
|---|---|---|
| | % | % |
| Under 1 year | 31 | 24 |
| 1 to 5 years | 26 | 45 |
| 6 to 10 years | 21 | 18 |
| 11 to 20 years | 9 | 7 |
| Over 20 years | 13 | 6 |
| | 100 | 100 |

b) Fixed-income securities are also held by the General Revenue Fund to repay debt as it matures. As at March 31, 2002, the General Revenue Fund held $2.78 billion (2001 $2.05 billion) of public fixed-income securities at cost (Fair value $2.80 billion (2001 $2.05 billion)). The securities held have an average effective market yield of 3.3% (2001 4.9%) per annum. 98% (2001 98%) of the securities held have terms to maturity of less than two years.

c) The Alberta Heritage Savings Trust Fund uses derivative contracts to enhance return, hedge risks and manage asset mix. As at March 31, 2002, the notional amount of all derivative contracts issued by the Heritage Fund amounted to $1.44 billion (2001 $1.25 billion). 67% (2001 60%) of these contracts mature within one year. As at March 31, 2002, index swap and futures contracts, forward foreign exchange contracts and interest rate swap contracts with a notional amount of $1.06 billion (2001 $0.75 billion) had an unrealized loss of $1 million (2001 $38 million). Cross-currency interest rate swap contracts, which comprised the remaining notional amount of $0.38 billion (2001 $0.50 billion), are valued as a package including the underlying security. As at March 31, 2002, the combined fair value of cross-currency swaps and underlying securities amounted to $0.38 billion (2001 $0.50 billion).

## EQUITY IN COMMERCIAL ENTERPRISES

**Schedule 8**

| | *In millions* 2002 | *In millions* 2001 |
|---|---|---|
| **Accumulated surpluses** | | |
| Accumulated surpluses at beginning of year | $ 629 | $ 482 |
| Total revenue | 3,450 | 3,266 |
| Total expense | 1,672 | 1,628 |
| Net revenue | 1,778 | 1,638 |
| Net transfers to departments and other adjustments | 1,568 | 1,491 |
| Accumulated surpluses at end of year | $ 839 | $ 629 |
| **Represented by** | | |
| Assets | | |
| Loans | $ 10,399 | $ 9,546 |
| Investments | 790 | 939 |
| Other | 1,697 | 1,496 |
| | 12,886 | 11,981 |
| Liabilities | | |
| Accounts payable | 592 | 416 |
| Deposits | 11,425 | 10,919 |
| Unmatured debt | 30 | 17 |
| | 12,047 | 11,352 |
| | $ 839 | $ 629 |
| **Equity in commercial enterprises at end of year** | | |
| As reported by the entities | | |
| Alberta Treasury Branches | $ 592 | $ 434 |
| Alberta Gaming and Liquor Commission | 166 | 122 |
| Credit Union Deposit Guarantee Corporation | 79 | 72 |
| N.A. Properties (1994) Ltd. | 2 | 1 |
| | 839 | 629 |
| Elimination of inter fund/agency balances | 50 | 35 |
| | $ 889 | $ 664 |

## LOANS AND ADVANCES

**Schedule 9**

| | In millions 2002 | In millions 2001 |
|---|---|---|
| Loans and advances made under the authority of | | |
| Alberta Municipal Financing Corporation Act (a) | $ 3,691 | $ 3,494 |
| Agriculture Financial Services Act (b) | 835 | 806 |
| Alberta Heritage Savings Trust Fund Act | 158 | 153 |
| Alberta Opportunity Fund Act | 132 | 131 |
| Student Loan Act | 81 | - |
| Farm Credit Stability Act | 73 | 125 |
| Alberta Housing Act | 25 | 30 |
| Financial Administration Act | 23 | 26 |
| | 5,018 | 4,765 |
| Less allowance for doubtful accounts | 139 | 92 |
| | $ 4,879 | $ 4,673 |

a) Municipal loans on average yield 9.0% (2001 9.4%) per annum and have the following term structure as at March 31, 2002.

| | 2002 | 2001 |
|---|---|---|
| | % | % |
| Under 1 year | 1 | 2 |
| 1 to 5 years | 19 | 19 |
| 6 to 10 years | 39 | 41 |
| Over 10 years | 41 | 38 |
| | 100 | 100 |

The fair value of the loans as at March 31, 2002 was $4,207 million (2001 $4,089 million).

b) Agricultural loan portfolios on average yield 7.1% to 7.4% (2001 7.4% to 7.5%) per annum and have the following term structure as at March 31, 2002.

| | 2002 | 2001 |
|---|---|---|
| | % | % |
| Under 1 year | 7 | 7 |
| 1 to 5 years | 30 | 29 |
| 6 to 10 years | 32 | 32 |
| Over 10 years | 31 | 32 |
| | 100 | 100 |

The fair value of the loans as at March 31, 2002 was $814 million (2001 $758 million).

## INVENTORIES HELD FOR RESALE

**Schedule 10**

| | In millions 2002 | In millions 2001 |
|---|---|---|
| Royalty oil | $ 39 | $ 56 |
| Other inventories for resale | 13 | 13 |
| | $ 52 | $ 69 |

**UNMATURED DEBT**

**Schedule 11**

| | | | *In millions* | | | |
|---|---|---|---|---|---|---|
| | 2002 | | | | 2001 | |
| | Effective Rate (a)(b)(c) % | Duration (d) years | Book Value (a) | Fair Value (a) | Book Value (a) | Fair Value (a) |
| Direct debt | | | | | | |
| Canadian dollar debt and fully hedged foreign currency debt | | | | | | |
| Floating rate and short-term fixed rate (e) | 2.87 | 0.23 | $ 1,065 | $ 1,091 | $ 1,804 | $ 1,874 |
| Fixed rate long-term (f) | 6.89 | 4.16 | 4,504 | 4,909 | 4,735 | 5,196 |
| | 6.12 | 3.41 | 5,569 | 6,000 | 6,539 | 7,070 |
| Unhedged U.S. dollar debt (g) | | | | | | |
| Floating rate and short-term fixed rate (e) | 3.28 | 0.28 | 2,303 | 2,448 | 2,127 | 2,289 |
| Fixed rate long-term | 6.69 | 2.00 | 510 | 593 | 1,221 | 1,406 |
| | 3.9 | 0.59 | 2,813 | 3,041 | 3,348 | 3,695 |
| | 5.38 | 2.46 | 8,382 | 9,041 | 9,887 | 10,765 |
| Alberta Social Housing Corporation Canadian dollar fixed rate debt | | | 83 | 83 | 89 | 89 |
| | | | $ 8,465 | $ 9,124 | $ 9,976 | $ 10,854 |

a) Book value represents the amount the Province owes. Fair value is an approximation of market value to the holder. The book value, fair value and weighted average effective rate include the effect of interest rate and currency rate swaps. For non-marketable issues, the effective rate and fair value are determined by reference to yield curves for comparable quoted issues.

b) Weighted average effective rates on unhedged U.S. dollar debt are based upon debt stated in U.S. dollars.

c) Weighted average effective rate on total direct debt is on debt inclusive of deferred exchange gains and losses on unhedged U.S. dollar debt (see note (g)).

d) Duration is the weighted average term to maturity of a security's cash flows (i.e. interest and principal) and is a measure of price volatility. The greater the duration of a bond, the greater its percentage price volatility.

e) Floating rate debt includes short-term debt, term debt with less than one year remaining to maturity, and term debt with interest rate reset within a year.

f) Canadian dollar fixed rate debt includes $679 million (2001 $679 million) held by the Canada Pension Plan Investment Fund.

g) Unhedged U.S. dollar debt is translated into Canadian dollars at the March 31 noon exchange rate of $1.5935 per U.S. dollar (2001 $1.5774 per U.S. dollar). Deferred exchange losses on unhedged U.S. dollar debt amounted to $83 million at March 31, 2002 (2001 $154 million). Amortization of deferred exchange losses amounted to $107 million for the year ended March 31, 2002 (2001 $122 million).

**Schedule 11** (continued)

Debt principal repayment requirements at par in each of the next five years, including short-term debt maturing in 2002-03 and thereafter, are as follows:

| | In millions | |
|---|---|---|
| | Total | Includes Unhedged |
| 2002-03 | $ 1,608 | US$ 806 |
| 2003-04 | 1,790 | 500 |
| 2004-05 | 1,803 | 439 |
| 2005-06 | 1,250 | 108 |
| 2006-07 | 114 | - |
| Thereafter | 1,897 | - |
| | $ 8,462 | US$1,853 |

Some of the direct debt has call provisions. Years to maturity reflect original maturity date and not early call date. Debt with call provisions occurring in under one year is $110 million (2001 $316 million), and in one to five years is $Nil (2001 $70 million).

**Derivative financial instruments**

The Province uses interest rate swaps and currency rate swaps and contracts to manage the interest rate risk and currency exposure associated with unmatured debt. In addition, forward interest rate agreements may be used to manage interest rate exposure in the short term. Associated with these instruments are credit risks that could expose the Province to potential losses. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Credit exposure to counterparties is insignificant in relation to the notional principal amount, as shown in the table below. The Province minimizes its credit risk associated with these contracts by dealing with only credit worthy counterparties.

Interest rate swaps involve the exchange of a series of interest payments, either at a fixed or floating rate, based upon a contractual or notional principal amount. An interest rate swap agreement based upon a notional amount involves no exchange of underlying principal. The notional amount serves as the basis for determining the exchange of interest payments. At March 31, 2002, interest rate swap agreements were being used primarily to convert fixed interest rate payments to floating rates.

Cross currency interest rate swaps involve both the swapping of interest rates and currencies.

Currency rate swaps including foreign exchange contracts involve an agreement to exchange United States dollars and other currencies into Canadian and United States dollars at an agreed upon rate and on an agreed settlement date.

The following table summarizes the Province's derivative portfolio and related credit exposure:

| | In millions | | | |
|---|---|---|---|---|
| | 2002 | | 2001 | |
| | Notional Amount | Replacement Cost | Notional Amount | Replacement Cost |
| Interest rate swaps | $ 2,493 | $ 29 | $ 3,456 | $ 8 |
| Cross currency interest rate swaps | 1,070 | - | 1,249 | 54 |
| Currency rate swaps including foreign exchange contracts (stated in Canadian dollars) | - | - | 8 | 1 |
| | $ 3,563 | $ 29 | $ 4,713 | $ 63 |

**Schedule 11** (continued)

Notional amount represents the amount to which a rate or price is applied in order to calculate the exchange of cash flows. Replacement cost represents the cost of replacing at current market rates all contracts which have a positive market value.

## DEBT AND EQUITY OF ALBERTA MUNICIPAL FINANCING CORPORATION

**Schedule 12**

| | *In millions* 2002 | 2001 |
|---|---|---|
| Alberta Municipal Financing Corporation | | |
| Canadian dollar fixed rate debt (a) | $ 3,431 | $ 3,443 |
| Equity (b) | $ 128 | $ 139 |

a) Canadian dollar fixed rate debt includes $2,881 million (2001 $3,098 million) held by the Canada Pension Plan Investment Fund and has the following characteristics as at March 31, 2002 (see Schedule 11 note (a)).

| | 2002 | 2001 |
|---|---|---|
| Fair value (in millions) | $ 4,038 | $ 4,048 |
| Effective rate per annum | 10.2% | 11.1% |

Debt principal repayment requirements in each of the next five years, including short-term debt maturing in 2002-03 and thereafter, are as follows:

| | *In millions* |
|---|---|
| 2002-03 | $ 625 |
| 2003-04 | 441 |
| 2004-05 | 338 |
| 2005-06 | 284 |
| 2006-07 | 395 |
| Thereafter | 1,348 |
| | $ 3,431 |

b) Alberta Municipal Financing Corporation equity has been included in liabilities of the Province because it represents profits which the Corporation has the power to pay to municipal and other shareholders that have borrowed from the Corporation.

Pension obligations are based upon actuarial valuations performed at least triennially using the projected benefit method prorated on services. The assumptions used in the valuations were adopted after consultation between the pension plan boards, the government and the actuaries, depending on the plan, and represent best estimates of future events. Each plan's future experience will inevitably vary, perhaps significantly, from the assumptions. Any differences between the actuarial assumptions and future experience will emerge as gains or losses in future valuations. Gains and losses are amortized over the expected average remaining service lives of the related employee groups.

Information about the economic assumptions used in the most recent actuarial valuations is provided below for each plan for which there is an obligation. Demographic assumptions used in the valuations reflect the experience of the plans.

| Plan | Latest Valuation | Real Rate of Return % | Inflation Rate % | Investment Rate of Return % |
|---|---|---|---|---|
| Teachers' Pension Plan | August 31, 2000 | 4.5 | 3.5 | 8.0 |
| Universities Academic Pension Plan | December 31, 2000 | 4.0 | 3.5 | 7.5 |
| Special Forces Pension Plan | December 31, 2000 | 3.75 | 3.25 | 7.0 |
| Public Service Management (Closed Membership) Pension Plan | December 31, 1999 | 4.25 | 3.0 | 7.25 |
| Members of the Legislative Assembly Pension Plan | December 31, 2000 | 3.5 | 3.5 | 7.0 |
| Management Employees Pension Plan | December 31, 1999 | 4.25 | 3.0 | 7.25 |

Except for the Management Employees plan, these actuarial valuations indicated a deficiency of net assets over the actuarial present value of accrued benefits. Including deferred adjustments, these unfunded liabilities were extrapolated to March 31, 2002.

A separate pension plan fund is maintained for each pension plan except for the Members of the Legislative Assembly plan. Pension plan fund assets are invested in both marketable investments of organizations external to the government and in Province of Alberta bonds and promissory notes.

| | *In millions* 2002 | *In millions* 2001 |
|---|---|---|
| Obligations to pension plans for employees of organizations outside the government reporting entity | | |
| Teachers' Pension Plan (a) | $ 3,890 | $ 3,833 |
| Universities Academic Pension Plan (b) | 151 | 145 |
| Special Forces Pension Plan (b) | 52 | 54 |
| | 4,093 | 4,032 |
| Obligations to pension plans for current and former employees and Members of the Legislative Assembly | | |
| Public Service Management (Closed Membership) Pension Plan (c) | 630 | 642 |
| Members of the Legislative Assembly Pension Plan (d) | 48 | 49 |
| Management Employees Pension Plan (c) | - | 19 |
| | 678 | 710 |
| | $ 4,771 | $ 4,742 |

**Schedule 13** (continued)

a) The Teachers' Pension Plans Act requires all teachers under contract with public and separate school jurisdictions in Alberta to contribute to the Teachers' Pension Plan. Under the Act, the unfunded liability for service credited prior to September 1, 1992 is being financed by additional contributions in the ratio of 67.35% by the Province and 32.65% by the teachers over the period ending August 31, 2060. In addition, for service after August 1992, the Province funds 50% of any current service costs and related actuarial adjustments, including certain cost of living benefits.

The Act provides that payment of all benefits prior to September 1, 1992 is guaranteed by the Province.

b) Under the Public Sector Pension Plans Act, the Province has obligations for payment of additional contributions under defined benefit pension plans for certain employees of post-secondary educational institutions and municipalities. The plans are the Universities Academic and Special Forces pension plans.

For Universities Academic, the unfunded liability for service credited prior to January 1, 1992 is being financed by additional contributions of 1.25% of pensionable salaries by the Province, and such percentages by employers and employees as will fund equally the remaining amount as determined by the plan valuation, over the period ending on or before December 31, 2043. Current service costs are funded by employers and employees.

For Special Forces, the unfunded liability for service credited prior to January 1, 1992 is being financed by additional contributions in the ratio of 45.45% by the Province and 27.27% each by employers and employees, over the period ending on or before December 31, 2036. Current service costs are funded by employers and employees. The Act provides that payment of all benefits arising from pensionable service prior to 1994, excluding post-1991 cost of living adjustment benefits, is guaranteed by the Province.

c) The Public Service Management (Closed Membership) pension plan provides benefits to former members of the Public Service Management pension plan who were retired, were entitled to receive a deferred pension or had attained 35 years of service before August 1, 1992.

For Management Employees, the December 31, 1999 actuarial valuation disclosed an actuarial surplus for service credited prior to January 1, 1992. Accordingly, additional contributions by the Province as employer ceased effective January 1, 2000. Current service costs are funded by employers and employees.

d) The Province has a liability for payment of pension benefits under a defined benefit pension plan for certain current and former Members of the Legislative Assembly. Active participation in this plan was terminated as of June 1993, and no benefits can be earned for service after that date.

## OTHER ACCRUED LIABILITIES

**Schedule 14**

| | *In millions* | |
|---|---|---|
| | **2002** | **2001** |
| Future funding to school boards to enable them to repay debentures issued to the Alberta Municipal Financing Corporation | $ 698 | $ 793 |
| Future funding to settle obligations under the credit union deficit financing agreement | 78 | - |
| Guarantees, indemnities and remissions | | |
| Guarantees (Schedule 15) | 18 | 17 |
| Remissions for student loans (Schedule 15) | 12 | 38 |
| Credit union assistance | - | 69 |
| Other | 100 | 126 |
| | 130 | 250 |
| Vacation entitlements | 147 | 144 |
| Other | 5 | 7 |
| | $ 1,058 | $ 1,194 |

**GUARANTEES (a)** **Schedule 15**

| | *In millions* 2002 | 2001 | Expiry Date |
|---|---|---|---|
| Alberta Housing Act | $ 81 | $ 107 | 2018 |
| Student Loan Act | 80 | 99 | Ongoing |
| Farm Credit Stability Act (b) | 73 | 130 | 2011 |
| Feeder associations | 52 | 50 | Ongoing |
| Agriculture Financial Services Act | 45 | 57 | Ongoing |
| Alberta Opportunity Fund Act | 6 | 6 | Ongoing |
| Centre for Engineering Research Inc. | 2 | 2 | 2005 |
| Securities Act | 2 | 2 | Ongoing |
| Rural utilities loans | 1 | 2 | 2015 |
| University of Calgary | 1 | 1 | 2016 |
| Agricultural Societies Act (b) | - | 3 | 2015 |
| | 343 | 459 | |
| Less estimated liability (Schedule 14) | | | |
| Guarantees | 18 | 17 | |
| Remissions for student loans | 12 | 38 | |
| | 30 | 55 | |
| | $ 313 | $ 404 | |

a) Authorized loan guarantee limits are shown below where applicable. Where authorized loan guarantee limits are not noted, the authorized limits decline as guaranteed or indemnified loans are repaid.

No new program guarantees are being issued under the Farm Credit Stability Act and the Rural Utilities Act.

Guarantee programs under the following Acts are ongoing:

- Student Loan Act (authorized guarantee limit set by Order in Council is $400 million),
- Feeder Associations Guarantee Act (authorized guarantee limit set by Order in Council is $55 million),
- Agriculture Financial Services Act,
- Alberta Opportunity Fund Act,
- Securities Act (the guarantee has no expiry date), and
- Agricultural Societies Act (authorized guarantee limit set by statute is $50 million).

The lender takes appropriate security prior to issuing to the borrower a loan which is guaranteed by the Province. The security taken depends on the nature of the loan. Interest rates are negotiated with the lender by the borrower and typically range from prime to prime plus two per cent.

b) The expiry date shown is the latest expiry date for guaranteed loans under the program.

## LISTING OF ORGANIZATIONS

Schedule 16

The financial statements of the following organizations are consolidated in these financial statements:

**Offices of the Legislative Assembly**
Support to the Legislative Assembly
Office of the Auditor General
Office of the Ombudsman
Office of the Chief Electoral Officer
Office of the Ethics Commissioner
Office of the Information and Privacy Commissioner

**Departments**
Aboriginal Affairs and Northern Development
Agriculture, Food and Rural Development
Children's Services
Community Development
Economic Development
Energy
Environment
Executive Council
Finance
Gaming
Government Services
Health and Wellness
Human Resources and Employment
Infrastructure
Innovation and Science
International and Intergovernmental Relations
Justice
Learning
Municipal Affairs
Revenue
Seniors
Solicitor General
Sustainable Resource Development
Transportation

**Regulated Funds**
Alberta Heritage Foundation for Medical Research Endowment Fund
Alberta Heritage Savings Trust Fund
Alberta Heritage Scholarship Fund
Alberta Heritage Science and Engineering Research Endowment Fund
Alberta Risk Management Fund
Alberta School Foundation Fund
Crop Reinsurance Fund of Alberta
Environmental Protection and Enhancement Fund

**Schedule 16** (continued)

**Regulated Funds** (continued)
Historic Resources Fund
Lottery Fund
Provincial Judges and Masters in Chambers Reserve Fund
Supplementary Retirement Plan Reserve Fund
Victims of Crime Fund

**Provincial Agencies**
Agriculture Financial Services Corporation
Alberta Agricultural Research Institute (a)
Alberta Alcohol and Drug Abuse Commission
Alberta Dairy Control Board
Alberta Energy and Utilities Board
Alberta Foundation for the Arts
The Alberta Historical Resources Foundation
Alberta Informatics Circle of Research Excellence Inc.
Alberta Municipal Financing Corporation
Alberta Oil Sands Technology and Research Authority (a)
Alberta Opportunity Company
Alberta Pensions Administration Corporation
Alberta Petroleum Marketing Commission
Alberta Research Council Inc.
Alberta Science and Research Authority
Alberta Securities Commission
Alberta Social Housing Corporation
Alberta Sport, Recreation, Parks and Wildlife Foundation
Awasak Child and Family Services Authority
Calgary Rocky View Child and Family Services Authority
Child and Family Services Authority Region 13
Diamond Willow Child and Family Services Authority
Edmonton Community Board for Persons with Developmental Disabilities
The Government House Foundation
Hearthstone Child and Family Services Authority
Human Rights, Citizenship and Multiculturalism Education Fund
Keystone Child and Family Services Authority
Ma'Mowe Capital Region Child and Family Services Authority
Metis Settlements Child and Family Services Authority
Natural Resources Conservation Board
Neegan Awas'sak Child and Family Services Authority
Persons with Developmental Disabilities Calgary Region Community Board
Persons with Developmental Disabilities Central Alberta Community Board
Persons with Developmental Disabilities Foundation
Persons with Developmental Disabilities Michener Centre Facility Board
Persons with Developmental Disabilities Northeast Alberta Community Board
Persons with Developmental Disabilities Northwest Alberta Community Board
Persons with Developmental Disabilities Provincial Board
Persons with Developmental Disabilities South Alberta Board
Region 14 Child and Family Services Authority

**Provincial Agencies** (continued)
Ribstone Child and Family Services Authority
Sakaigun Asky Child and Family Services Authority
Sakaw-Askiy Child and Family Services Authority
Silver Birch Child and Family Services Authority
Southeast Alberta Child and Family Services Authority
Sun Country Child and Family Services Authority
West Yellowhead Child and Family Services Authority
The Wild Rose Foundation
Windsong Child and Family Services Authority

**Non-commercial Crown-controlled Corporation**
Alberta Insurance Council

The following organizations are accounted for on an equity basis in these financial statements:

**Commercial Enterprises**
Alberta Gaming and Liquor Commission
The Alberta Government Telephones Commission
Alberta Treasury Branches
Credit Union Deposit Guarantee Corporation
N.A. Properties (1994) Ltd.

**Commercial Crown-controlled Corporation**
Gainers Inc.

a) Privatized, wound up or ceased operations in 2000-01.

# Measuring Up

# Measuring Up

## ABOUT MEASURING UP . . .

### PURPOSE OF MEASURING UP

This is the eighth annual *Measuring Up* report to Albertans. The purpose of *Measuring Up* is to report on progress in achieving goals that are important to Albertans. *Measuring Up* meets the government commitment to manage for results. *Measuring Up* also meets the government's commitment to be open and accountable.

### REPORTING ON RESULTS

The results reported in this year's *Measuring Up* relate to the *Government of Alberta Business Plan 2001-04* published as part of *Budget 2001: The Future - Meeting Priorities, Sharing Benefits* (see Appendix II). The goals and strategies for 2001-02 focused on:

- Improving health care,
- Striving for excellence in education,
- Continuing the tradition of prudent fiscal management and low taxes,
- Caring for children and supporting seniors and families, and
- Investing in infrastructure.

### STRUCTURE OF PERFORMANCE REPORTING

The government's business plan is an ongoing three-year plan that focuses the government's efforts on three core businesses - *People, Prosperity* and *Preservation*. Goals are established for each of the cores businesses. To track progress in meeting goals, "core" measures are determined and targets set. Each year in *Measuring Up* the government reports to Albertans on progress made towards achieving the goals set out in the government business plan. This report covers the *Alberta Business Plan 2001-04*, which set out 19 goals and 27 core performance measures.

To measure Alberta's overall economic, social and environmental performance, 27 measures may not seem like a lot. The intention is to focus on high-level measures that give Albertans a good overall indication of progress towards achievement of Alberta's goals. In some sense, the core measures are like the gauges on the dashboard of a car providing the most essential information. Supplemental information on the core measures is also provided in *Measuring Up* to give citizens more information. As well, in response to a recommendation from the Auditor General, this year's *Measuring Up* includes an explanation on how major influences or external factors affected performance results. This will help readers better assess performance over the past year. One example is land quality, which shows a need for improvement; however, the biggest factor was the drought in southern Alberta.

More detail on performance is provided to Albertans through ministries' annual reports, which is the second tier of reporting to Albertans on performance. Each ministry prepares a set of "key" performance measures that relate to their business plan goals. These measures are reported in the fall of each year.

### DATA QUALITY

One of the most important issues in performance reporting is data quality. A performance measure is only relevant to the extent that data is available and reliable. In real life, often up-to-date data isn't available because of reporting lags especially if international reporting is involved. As well, external sources are often not available for provincial measures and in some cases external authorities stop publishing data on a provincial basis, which means that new data sources must be found, or the indicator changed. *Measuring Up* uses the most current data available from the most reliable sources. To provide consistency over time, *Measuring Up* endeavors to use the same measure and data sources but sometimes changes are necessary.

### INTERRELATIONSHIPS BETWEEN CORE MEASURES

Each core measure is important in its own right but should not be considered in isolation since there are linkages among some core measures. One example is the economic growth core measure. A strongly growing provincial economy will tend to influence some performance measures like employment growth positively and some other performance indicators like workplace climate negatively.

### WE'RE ALL INVOLVED

*Measuring Up* reports on progress in meeting goals of importance to Albertans. The extent to which the performance measure meets its target provides a comment on the strategies being used by the government. At the same time, the ability to meet targets for core measures often depends on the actions of all Albertans and on external events. For example, the GDP core measure depends on the policies of the government to foster economic growth. In addition, economic growth also depends on the actions of Alberta households and businesses and on the strength of the world economy, as Alberta is an open trade based economy. Another example is the life expectancy core measure, which is an internationally recognized performance indicator. There is a role for government in achieving our target to be among the top ten in the world. There is also a role for individual Albertans through lifestyle choices. Reaching our goals involves a partnership between the government and Albertans.

### CROSS-MINISTRY INITIATIVES

Each year, the government business plan focuses on four priority cross-ministry initiatives. The 2001-02 initiatives are the Aboriginal Policy Initiative, the Economic Development Strategy, the Seniors Policy Initiative and the Children and Youth Services Initiative.

The cross-ministry initiatives recognize that issues cut across ministries. Finding innovative and effective ways of addressing Albertans' needs requires the cooperation of more than one ministry. Information on the government's progress in relation to the goals established for each of the four cross-ministry initiatives can be found in Appendix IV.

### REPORT CARD

*Measuring Up* includes a performance summary, which is like a "report card". Like last year, performance is compared to the previous year and, as a new addition in this year's *Measuring Up*, performance is also compared to the target that has been set.

Symbols are used to assist the reader. "Up" (⇧) arrows are used to show movement toward a goal and similarly a "down" (🡇) arrow shows movement away from a goal and a need for improvement. For an arrow to be used there must have been a movement of 5% or more since last year. If there has been no significant change from last year, or no new data is available, a horizontal line (-) is used. In some cases, like Alberta achieving its targets of having a triple A credit rating and the lowest personal taxes in Canada, there is no room in a ranking sense for improvement so maintaining our standing is the best possible position.

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### AN INVITATION TO RATE OUR PERFORMANCE

After reading *Measuring Up*, please tell us what you think of it. A readership survey is provided for you to mail or fax to us. You can also contact us by e-mail at measuringup@gov.ab.ca.

# Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Performance Information

AUDITOR
GENERAL
*Alberta*

**TO THE MEMBERS OF THE LEGISLATIVE ASSEMBLY**

In connection with the Province of Alberta's core measures and supplemental information included in the Government of Alberta Annual Report for the year ended March 31, 2002, I have:

**Core Measures**

1. agreed information from an external organization to reports from the organization, or where information is reported as not available, confirmed that the information is not available.
2. agreed information from reports that originated within the Government of Alberta to source reports. In addition, I tested the procedures used to compile the underlying data into the source reports.
3. checked that the presentation of results is consistent with the methodology stated in Appendix I.
4. checked that the results presented are comparable to stated targets, and information presented in prior years.
5. checked that the core measures, as well as targets, agree to and include results for all of the measures presented in Budget 2001.

**Supplemental Information**

6. agreed the information to source reports. In addition, I checked that the supporting narrative is consistent with the information.

As a result of applying the above procedures, I found no exceptions. These procedures, however, do not constitute an audit and therefore I express no opinion on the core measures and supplemental information included in the Government of Alberta Annual Report for the year ended March 31, 2002.

Fred J Dunn
CA
Auditor General

Edmonton, Alberta
June 19, 2002

# People – 2001-2002 Performance Summary

⇧ Improved performance (5% higher) – No significant change / data unavailable ⬇ Declining performance (5% lower)

| | Goals | Measures | | Results |
|---|---|---|---|---|
| 1 | Albertans will be healthy. | ***Life Expectancy at Birth*** | – | **Target Achieved.** In 2000, life expectancy for Alberta females was 82 years (compared to 81.8 years in 1999). Alberta females ranked 7th among countries (compared to 10th in the revised 1999 rankings). Target is to be among the top ten countries in the world. |
| | | | – | **Target Achieved.** Life expectancy for Alberta males was 77.1 years (compared to 76.8 years in 1999). Alberta males ranked 3rd in 2000 as well as 3rd in the revised 1999 rankings. Target is to be among the top ten countries in the world. |
| | | ***Health Status*** | ⬇ | In 2001, the percentage of Albertans aged 65 years and over who rated their health as "good", "very good" or "excellent" decreased from 79% to 72%, below the target of 80%. |
| | | | ⬇ | The percentage of Albertans age 18-64 years who rated their health as "very good" or "excellent" has decreased from 66% to 63%, below the target of 70%. |
| 2 | Our children will be well cared for, safe, successful at learning and healthy. | ***Well-Being of Children*** | – | Based on a preliminary version of the Market Basket Measure, in 1997, Alberta had the highest percentage of children (91%) living in families with incomes above the MBM low-income threshold, compared to other provinces. The MBM methodology has been revised and Statistics Canada anticipates that the data for 2000 will be released in the Fall of 2002. |
| 3 | Alberta students will excel. | ***Educational Attainment*** | – | **Target Achieved for High School Completion.** In a survey for 2001, 90.1% of Albertans aged 25-34 had completed high school, meeting the target of 90%. In 2000, 89.7% completed high school. |
| | | | ⇧ | In a survey for 2001, 58.9% had completed post-secondary, very close to the target of 60% and an improvement over 2000 when 56.1% completed post-secondary. |
| | | ***Literacy and Numeracy Levels*** | – | **Target Achieved for Language Arts.** In 2000-01, 89% of Alberta students writing the provincial achievement tests achieved the language arts standard, exceeding the target of 85%. In 1999-00, 90% achieved the language arts standard. |
| | | | – | In 2000-01, 75% achieved the mathematics standard, below the target of 85%, but an improvement over 1999-00 when 74% achieved the standard. |
| 4 | Albertans will be independent. | ***Economic Status of Albertans (New)*** | – | Based on a preliminary version of the Market Basket Measure, in 1997, Alberta had the highest percentage of people (92%) living with incomes above the MBM low-income threshold, compared to other provinces. The MBM methodology has been revised and Statistics Canada anticipates that the data for 2000 will be released in in the Fall of 2002. |
| 5 | Albertans unable to provide for their basic needs will receive help. | ***Economic Status of Albertans*** | – | Same MBM metric as above. |
| 6 | The well-being and self-reliance of Aboriginal people will be comparable to that of other Albertans. | ***Aboriginal Well-Being*** | – | Census data provides the best information available at this time. Data from the 2001 Canada Census will be available in 2003. New methods are being considered to further the collection of survey data within the Aboriginal population. |

# *Prosperity – 2001-2002 Performance Summary*

⇧ Improved performance (5% higher) – No significant change / data unavailable ⬇ Declining performance (5% lower)

| | Goals | Measures | Results |
|---|---|---|---|
| 7 | Alberta will have a prosperous economy. | ***Gross Domestic Product*** | ⇧ **Target Achieved** - Three-year average annual growth rate of 12.0% for 1999 to 2001, up from 10.1% for 1998 to 2000 and far exceeding the target range of 4 to 6%. |
| | | ***Job Growth*** | ⇧ 43,900 net new jobs created in 2001 up from 34,900 in 2000. 78,800 net new jobs were created over the two-year period ending December 31, 2001, progressing toward the target to create 295,000 jobs by 2005. |
| 8 | Alberta's workforce will be skilled and productive. | ***Skill Development*** | – 87.6% of employers were satisfied with the skills of recent degree or diploma graduates in 2001-02 compared to 86.5% in 1999-00 (biannual survey), gaining slightly on the target of 90%. |
| 9 | Alberta businesses will be increasingly innovative. | ***Business Innovation*** | – Data for Alberta business use of the Internet to sell goods and services is not available from Statistics Canada as had been expected. A new expanded core measure for this goal will be presented next year. |
| 10 | Alberta's value-added industries will lead economic growth. | ***Value-Added Industries (New)*** | – In 2000, the value-added sector grew by 5.1% and accounted for 30.7% of Alberta's real GDP, the same percentage as 1999, not achieving the target to increase. |
| 11 | Alberta will have effective and efficient infrastructure. | ***Infrastructure Capacity*** | – **Target Achieved** - In 2001, 95.4% of rural sections of the National Highway System were at Level of Service B or better, approximately the same as last year (95.5%), meeting the target of 95% based on updated methodology.<br>– **Target Achieved** – In 2001, export gas pipeline capacity was sufficient to exceed demand. Utilization was at 88% of capacity compared to 91% in 2000.<br>⇧ **Target Achieved** - Industry and non-profit sponsored research at 28.2% of total university sponsored research in 2000-01, up from 26.5% in 1999-00 and satisfying the target to increase. |
| 12 | Alberta will have a financially stable, open and accountable government. | ***Taxation Load*** | – **Target Achieved** - Maintained the lowest provincial tax load on persons among the provinces in 2001-02 (55.2% of provincial average, up from 49.8% in 2000-01).<br>– Maintained the 2nd lowest provincial tax load on business (84.1% of the provincial average, up from 82.4% in 2000-01), and off target to have the lowest tax load on business. |
| | | ***Provincial Credit Rating*** | – **Target Achieved** – Maintained Alberta's triple A credit rating, earning the highest possible rating from all three major credit rating agencies. Alberta is the only province to have a triple A credit rating, achieving the target to be highest among the provinces. |
| | | ***Accumulated Debt*** | ⇧ **Target Achieved** - At March 31, 2002 accumulated debt less $2.7 billion cash set aside for future debt repayment was $5.7 billion, compared to $8.2 billion as of March 31, 2001. Debt repayment has exceeded the target set for 2004-05, reducing the repayment period by an estimated 10 years (2014-15). |
| | | ***Cost of Government*** | ⬇ Per capita government expenditure in 2000-01 at 104% of the average per capita expenditure of the nine other provinces, up from 95% in 1999-00, and moving off the target of 95%. |
| 13 | Alberta will have a fair and safe work environment. | ***Workplace Climate*** | ⇧ **Target Achieved** - 2nd lowest among the provinces for person-days lost due to work stoppages in 2001, up from 4th lowest in 2000 and meeting the target to be among the three lowest.<br>– 3rd lowest among the provinces for workplace injury and disease in 1999, satisfying the target. Results for 2000 unavailable at time of publication. |
| 14 | Alberta businesses will increase exports. | ***Export Trade (New)*** | – International value-added exports were $22.6 billion in 2001 (preliminary estimate), down 4.2% from $23.6 billion in 2000 and moving away from the target to reach $28.5 billion by 2004. |

## *Preservation – 2001-2002 Performance Summary*

⇧ Improved performance (5% higher) – No significant change / data unavailable ⬇ Declining performance (5% lower)

| | Goals | Measures | | Results |
|---|---|---|---|---|
| 15 | Alberta will be a safe place to live and raise families. | ***Crime Rate*** | – | In 2000, the Alberta violent crime rate increased less than the Canadian rate closing the gap between the national and Alberta violent crime rates by 3%. Alberta's violent crime rate was 8% higher than the targeted Canadian average rate. |
| | | | – | In 2000, Alberta's property crime rate decreased more than the Canadian rate closing the gap between the national and Alberta property crime rates by 3%. Alberta's property crime rate was 9% above the targeted Canadian average rate. |
| 16 | Alberta's renewable natural resources will be sustained. | ***Renewable Resource Sustainability*** | – | **Target Achieved** – In 2000-01, Alberta's timber harvest remained below the annual allowable cut. |
| | | | ⬇ | In 2001, farm crop yield decreased by over 10% to 0.77 tonnes per acre. (See the Land Quality measure under Goal #17) |
| 17 | The high quality of Alberta's environment will be maintained. | ***Air Quality*** | – | **Target Achieved** - In 2001, air quality remained at "good" or "fair" with no days rated as "poor" or "very poor". |
| | | ***Water Quality*** | ⇧ | River water quality improved in 2000-01. Water quality downstream of Edmonton, Calgary and Lethbridge improved due to upgraded wastewater treatment facilities in each of these cities. In some cases, water quality improved for both upstream and downstream because of dry conditions experienced in 2000-01 resulting in less surface runoff and movement of materials into the water. |
| | | ***Land Quality*** | ⬇ | In 2001, farm crop yield decreased by over 10%, or 0.09 tonnes per acre to 0.77 tonnes per acre in 2001, well below the 2004 target of 0.92 tonnes per acre. Dry conditions in much of southern Alberta and parts of central Alberta continued to reduce crop outputs after an above-average year in 1999. |
| 18 | Albertans will have the opportunity to enjoy the province's natural, historical and cultural resources. | ***Heritage Appreciation*** | – | Visitation at provincially-owned historic sites, museums and interpretive centres declined by 45,000 visitors to 1,021,000 in 2001-02, below the target of 1.1 million visitors per year. |
| | | | – | **Target Achieved** – Visitation at provincial parks and recreation areas increased by 148,000 visitors to 8,730,000 in 2000-01, surpassing the target of 8 million visitors per year. |
| 19 | Alberta will work with other governments and maintain its strong position in Canada. | ***Intergovernmental Relations*** | ⇧ | **Target Achieved** - In 2001, the Alberta government's approval rating in federal-provincial relations was 26% higher than the four-province average, up 11 percentage points from 2000 and bettering the target. |

## core business *People...*

The goals for the ***People*** core business are directed at improving the quality of life in Alberta for individuals and their families through the government's priorities for health, education, our children, those in need, and Aboriginal Albertans.

# People

## Helping people to be self-reliant, capable and caring through:

- a healthy society and accessible health care
- basic support and protection for those in need
- lifelong learning
- excellent schools, colleges, universities and training institutes
- supportive families and compassionate communities
- the well-being of Aboriginal people

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### PERFORMANCE SUMMARY

There are six government goals for the *People* core business, and eight performance measures including a new measure for Goal 4 Albertans will be independent. The following summarizes the 2001-02 performance results for the *People* core business. Where 2001-02 data is not available for a measure, the most recent reliable data is reported.

*Goal 1 - Albertans will be healthy.*

**Life Expectancy at Birth** - In 2000, life expectancy for Alberta females ranked 7th in the world at 82 years, while males ranked 3rd at 77.1 years.

**Health Status** - The percentage of Albertans over 65 years who rated their health as "good", "very good" or "excellent" has decreased from 79% in 2000 to 72% in 2001. The percentage of Albertans age 18 to 64 years who rated their health as "very good" or "excellent" has decreased from 66% in 2000 to 63% in 2001. However, 65% of Albertans rated their ease of access to health services as "very easy" or "easy".

*Goal 2 - Our children will be well cared for, safe, successful at learning and healthy.*

**Well-Being of Children** - In 1997, 91% of Alberta children lived in families with incomes above the Market Basket Measure low income threshold (Preliminary methodology used. Data for 2000 is anticipated for release in Fall 2002 by Statistics Canada).

*Goal 3 - Alberta students will excel.*

**Educational Attainment** - In 2001, 90.1% of Albertans aged 25-34 reported completing high school, and 58.9% reported completing post-secondary education, compared to 89.7% and 56.1% the previous year.

**Literacy and Numeracy Levels** - In 2000-01, 89% of students writing the provincial achievement test in Grade 9 language arts achieved the acceptable standard, continuing to surpass provincial expectations. In Grade 9 mathematics, the percentage achieving the acceptable standard improved to 75%. The percentage of students achieving the acceptable standard for mathematics remains below expectations.

*Goal 4 - Albertans will be independent*

New **Economic Status of Albertans** - In 1997, 92% of Albertans had incomes above the Market Basket Measure low income threshold (Preliminary methodology used. Data for 2000 is anticipated for release in Fall 2002 by Statistics Canada).

***Goal 5 - Albertans unable to provide for their basic needs will receive help.***

(see Goal 4 - Albertans will be independent)

***Goal 6 - The well-being and self-reliance of Aboriginal people will be comparable to that of other Albertans.***

**Aboriginal Well-Being** - Data from the 2001 Canada Census will be available in 2003.

## goal 1 Albertans will be healthy

core measure(s) LIFE EXPECTANCY AT BIRTH
HEALTH STATUS

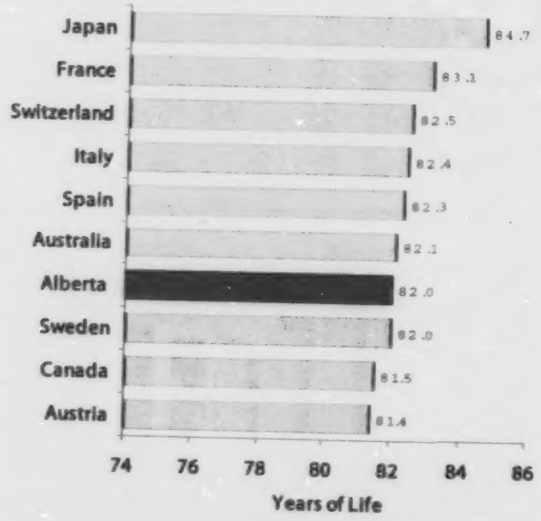
### LIFE EXPECTANCY AT BIRTH

**DESCRIPTION** Female and male life expectancy.

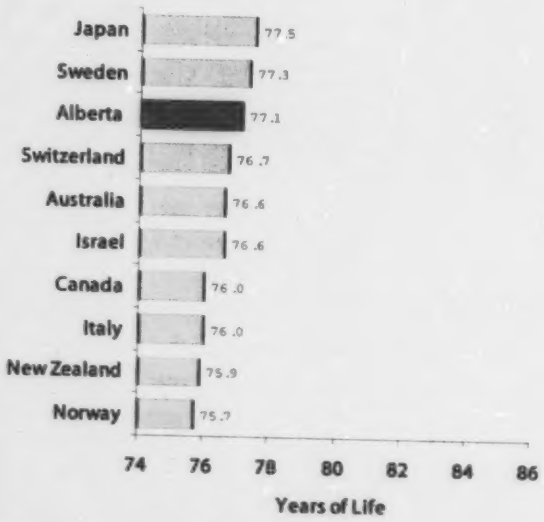
**TARGET** Maintain or improve current life expectancy at birth and be among the top 10 countries in the world.

**RESULTS** In 2000, life expectancy for Alberta females ranked 7th in the world (equal to Sweden). The life expectancy for Alberta males ranked 3rd in comparison to other countries in the world. Based on preliminary estimates for 2001, life expectancy for females increased from 82 years in 2000 to 82.4 years in 2001. Life expectancy for males show a small decrease from 77.1 years in 2000 to 77 years in 2001.

**FEMALE LIFE EXPECTANCY** (2000)



**MALE LIFE EXPECTANCY** (2000)



*Source:* 2000 and 2001 preliminary data: Alberta Health and Wellness; World Health Organization, The World Health Report 2001.

**DISCUSSION** Life Expectancy at Birth is an estimate of the number of years that a person born in that year will live, based upon current mortality statistics. Life expectancy is a universally recognized indicator of the health of a population.

Long life expectancy is related to access to health care, a healthy diet, and the benefits of a healthy environment and workplace (see also **Air Quality, Water Quality and Workplace Climate** measures). International comparisons have shown that life expectancy is also related to national wealth and economic development, the quality of the health care system and individual socio-economic status.

*For more information, see the core measures methodology and related ministry measures in Appendices I and III.*

core measure(s)

## LIFE EXPECTANCY AT BIRTH

HEALTH STATUS

Life expectancy is strongly affected by infant mortality and the four major causes of death: heart disease, cancer, respiratory disease and injuries (see supplemental information). Reducing mortality rates from these factors will increase overall life expectancy for all Albertans.

**SUPPLEMENTAL INFORMATION**

### Selected Communicable Diseases (Rate per 100,000)

High incidence rates continued for E. Coli and meningococcal, and rates for gonorrhea increased due to several outbreaks in the Edmonton area. Measle rates decreased to normal levels, and rates for pertussis (whooping cough) and tuberculosis continued to decline. AIDS rates remain unchanged.

| YEAR | 1996 | 1997 | 1998 | 1999 | 2000 | 2001* |
|---|---|---|---|---|---|---|
| AIDS** | 2.8 | 1.9 | 0.8 | 1.4 | 1.7 | 1.1 |
| E. Coli 0157 | 5.8 | 6.8 | 9.0 | 6.6 | 11.0 | 9.4 |
| Gonorrhea | 17.2 | 14.6 | 18.5 | 18.3 | 19.7 | 25.9 |
| Invasive Meningococcal | 0.9 | 1.1 | 0.8 | 0.9 | 2.6 | 2.0 |
| Measles | 0.3 | 8.8 | 0.0 | 0.6 | 4.1 | 0.2 |
| Pertussis | 41.2 | 27.6 | 26.3 | 28.3 | 15.6 | 11.0 |
| Tuberculosis | 5.1 | 6.0 | 5.5 | 5.1 | 4.5 | 3.8 |

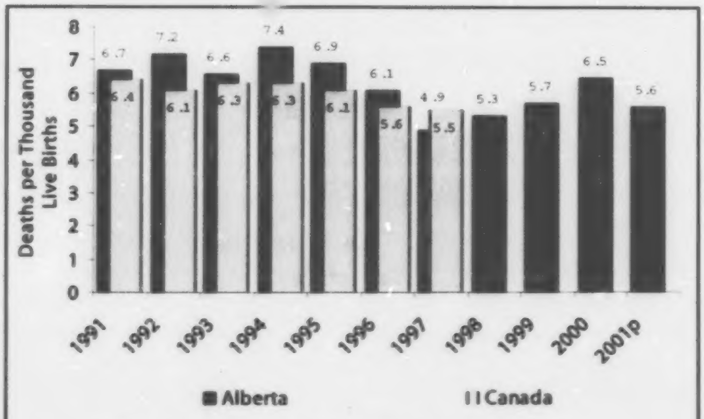
*Source:* Notifiable Diseases, HIV/AIDS, STD and TB databases.

*Produced by:* Health Surveillance and Disease Control and Prevention, Alberta Health and Wellness.

*Notes:* Annual rates per 100,000 are based on mid-year population from Alberta Health Registry files for the years 1996 to 2000 and on projected population for 2001.
* preliminary results
** AIDS counts are based on year of report.

### Infant Mortality

This chart shows the rate of deaths for infants in Alberta over a 10 year period.



*Source:* Statistics Canada Health Indicators and Alberta Vital Statistics.
p = preliminary

goal **1** **Albertans will be healthy**

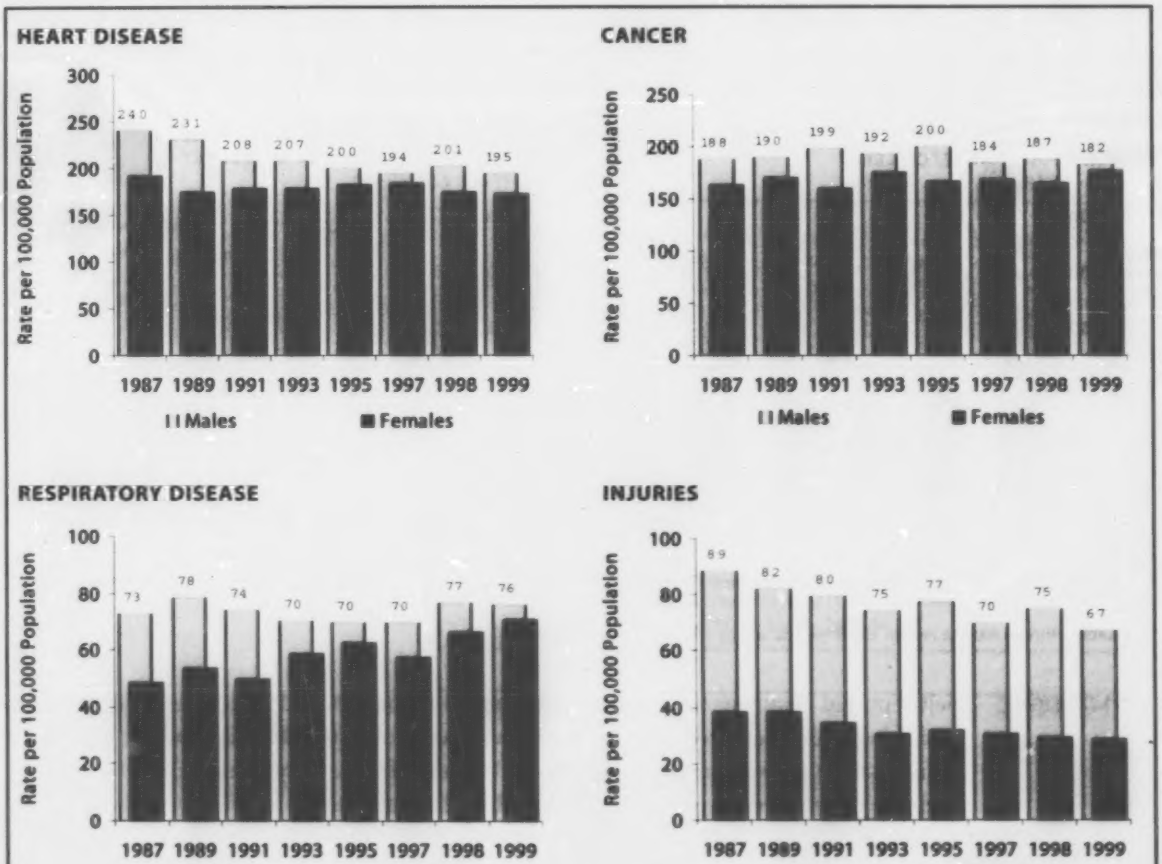
core measure(s) **LIFE EXPECTANCY AT BIRTH**
HEALTH STATUS

**SUPPLEMENTAL INFORMATION**

## Major Causes of Death in Alberta
(Standardized Mortality Rates per 100,000 Population)

The four major causes of death in Alberta are heart disease, cancer, respiratory disease and injuries.

Over the past 12 years, the rate of deaths from heart disease and from injuries has declined for both sexes. Over the same period, the rate of deaths from respiratory disease has increased considerably for women.



*Source:* Alberta Health and Wellness, derived from Alberta Vital Statistics death files. Population = mid year Alberta Health Registrations. Data for 2000 is currently unavailable at this time due to a change in the international coding system from ICD-9 to ICD-10. Alberta Health and Wellness is in the process of converting the data to ICD-9 format to align with prior years' data.

*Note:* Mortality rates are now standardized to the 1996 Canada population. These are done separately for males and females so rates differ slightly from those reported in previous years.

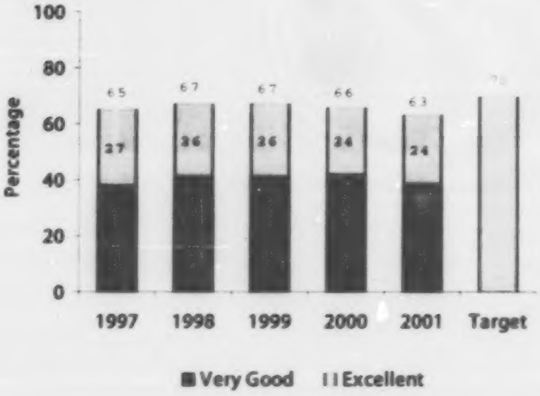
## HEALTH STATUS

**DESCRIPTION** Self-reported status by Albertans over 18.

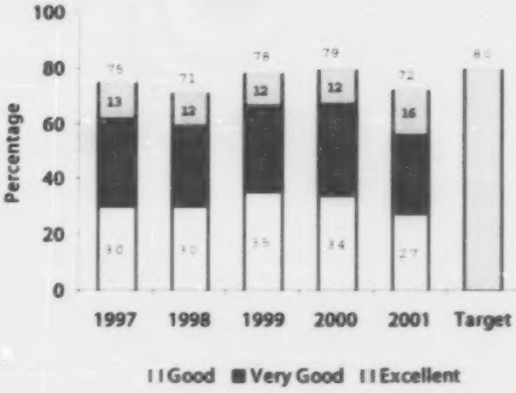
**TARGET** By the year 2003, 70% of Albertans aged 18-64 will rate their health as "very good" or "excellent", and 80% of Albertans aged 65 or over will rate their health as "good" or better.

**RESULTS** In 2001, the percentage of Albertans age 18-64 years rating their health as "very good" or "excellent" decreased from 66% in 2000 to 63% in 2001. The percentage of Albertans over 65 years who rate their health as "good", "very good" or "excellent" has decreased from 79% in 2000 to 72% in 2001.

**ALBERTANS SELF-REPORTED HEALTH STATUS AS "VERY GOOD" OR "EXCELLENT"**
(18-64 YEARS)



**ALBERTANS SELF-REPORTED HEALTH STATUS AS "GOOD", "VERY GOOD" OR "EXCELLENT"**
(65 YEARS AND OVER)



*Source:* Annual Alberta Health and Wellness Survey (1997, 1998, 1999, 2000, 2001).

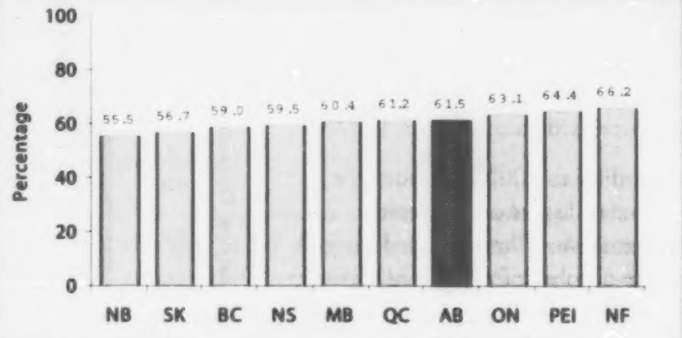
**DISCUSSION** Self-reported health status is a good indicator of the health and well-being of Albertans and is becoming accepted across Canada as a means of reporting on population health. This measure reports the degree to which Albertans feel healthy compared to others their own age. How people rate their own health is affected by a variety of factors including chronic disease, disability, temporary illness and mental health.

We want to have the highest percentage of residents reporting very good or excellent health status compared with other provinces (see next page). In 2000-01, Alberta ranked fourth in the percentage of residents reporting "excellent" or "very good" health.

**SUPPLEMENTAL INFORMATION**

### Excellent or Very Good Health Status by Province

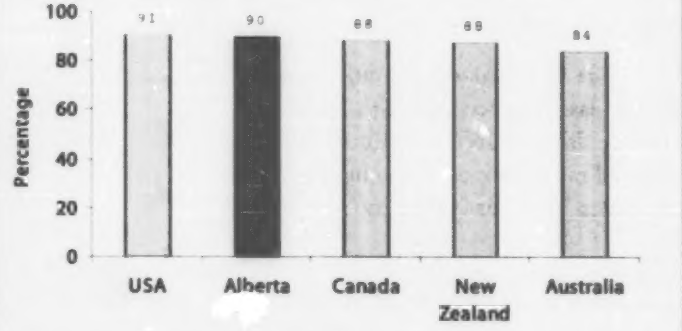
In a national survey, Albertans ranked fourth in the percentage of respondents who reported their health status as being excellent or very good in 2000-01 compared to people in other provinces (respondents are 12 years of age and over).



*Source:* Statistics Canada, Canadian Community Health Survey, 2000-01.

### Good or Better Health Status by Selected Countries

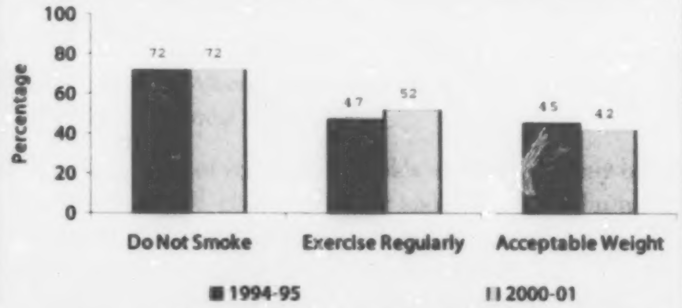
In comparison to selected countries, Albertans ranked very well in reporting their health status as good or better (respondents are 15+ for OECD countries; respondents are 12+ for Alberta and Canada).



*Source:* Organization for Economic Cooperation and Development (OECD) Health Data 2001. USA (1998); New Zealand (1997); Australia (1995). Canadian Community Health Survey 2000-01.

### Percentage of Albertans Participating in Healthy Behaviour

Healthy lifestyles contribute to longevity and improved quality of life. This chart shows the percentage of Albertans who reported participating in healthy behaviour (respondents are 12+ except for acceptable weight (20-64 years); 1994-95 and 2000-01 data excludes non-respondents).



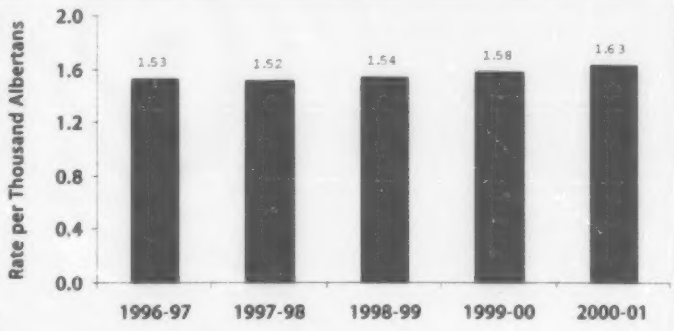
*Source:* National Population Health Survey, 1994-95; Historical data for 1994-95 revised for Exercise Regularly; Statistics Canada, Canadian Community Health Survey, 2000-01.

**SUPPLEMENTAL INFORMATION**

### Alberta Physicians

The rate of general practitioners, specialists and laboratory specialists has increased steadily since 1997-98.

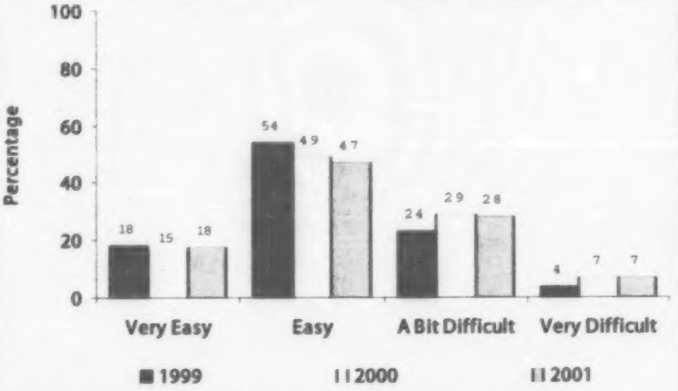
According to 2000 data from the Canadian Institute for Health Information, Alberta ranked seventh in the number of physicians amongst provinces. The top three provinces were Quebec, Nova Scotia and British Columbia.



*Source:* Alberta Health Care Insurance Plan.
*Note:* Mid-year Population Registry (September 30); Historical data revised.

### Accessibility of Health Care Services

This chart shows Albertans' ratings of their ease of access to health services. In 2001, 65% of Albertans surveyed rated their access to health services as "easy" or "very easy".



*Source:* Annual Alberta Health and Wellness Survey (1999, 2000, 2001).

## goal 2 Our children will be well cared for, safe, successful at learning and healthy

core measure(s) WELL-BEING OF CHILDREN

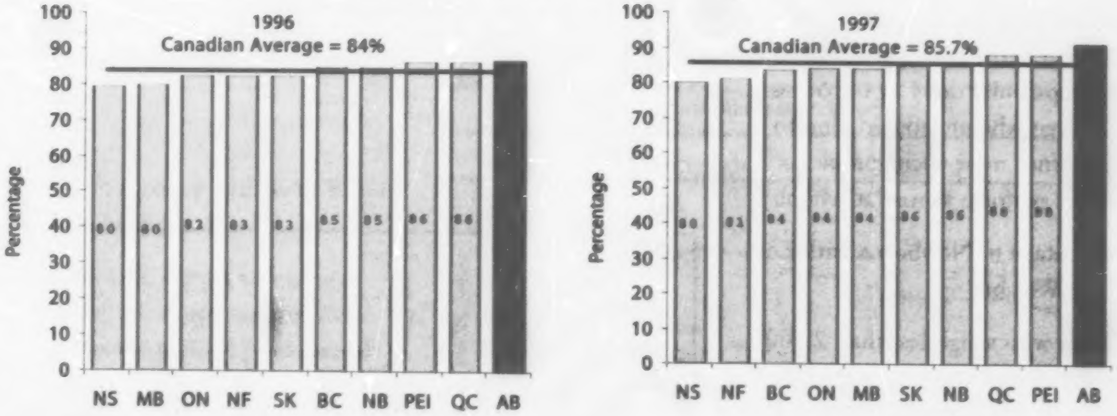
### WELL-BEING OF CHILDREN

**DESCRIPTION** Percentage of Alberta children living in families with incomes above the Market Basket Measure (MBM) low income threshold.

**TARGET** To be determined once baseline is established.

**RESULTS** 91% of Alberta children live in families with incomes above the MBM low income threshold, exceeding the Canadian average. (1997 data is based on 1996 preliminary methodology. Data for the MBM is being collected and validated by Statistics Canada. It is anticipated that MBM data for 2000 will be released by Statistics Canada in Fall 2002.)

**PERCENTAGE OF CHILDREN LIVING ABOVE THE MBM LOW INCOME THRESHOLD**



*Source:* Human Resources Development Canada.
*Note:* Preliminary data only.

**DISCUSSION** Low income affects children and their families in negative ways. Children who live in poverty are at greater risk of experiencing problems such as illness, behaviour and learning difficulties, and family violence.

This measure examines the percentage of Alberta children living in families with incomes above the relevant MBM low income threshold.

The MBM of low income is a calculation of income thresholds at which a family has sufficient income to cover the costs of food, clothing, shelter and other expenditures deemed necessary for all Canadians. Geographic differences in costs are reflected. These costs, by family size, are then compared to family income available for consumption. We want to increase the percentage of children living above this low income threshold.

*For more information, see the core measures methodology and related ministry measures in Appendices I and III.*

goal **2**

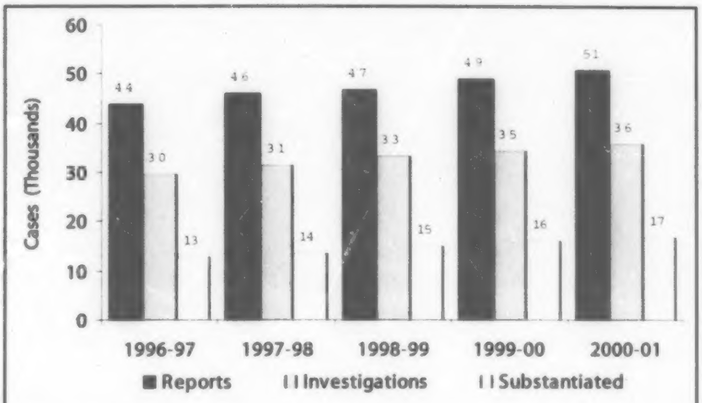
## Our children will be well cared for, safe, successful at learning and healthy

core measure(s) **WELL-BEING OF CHILDREN**

**SUPPLEMENTAL INFORMATION**

### Reported Child Abuse and Neglect in Alberta

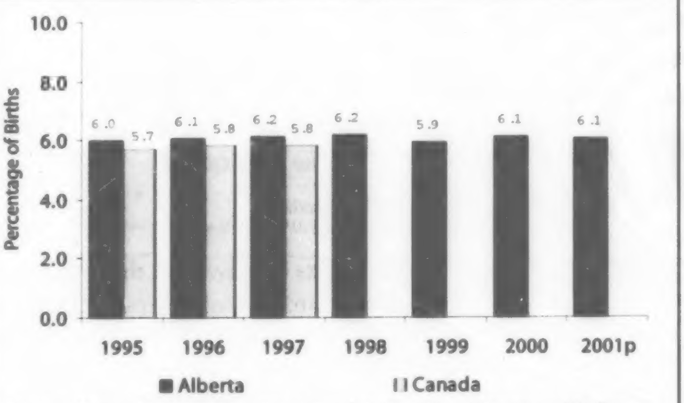
This chart shows the number of reports of child abuse or neglect cases and the number of cases investigated and substantiated during the year. Child abuse occurs in a number of forms including physical abuse, emotional abuse, sexual abuse, and neglect. Results of such abuse and neglect often include significant emotional, psychological and physical harm as well as developmental delay or impairment. Children who are abused tend to experience more social problems and do not perform as well at school.



*Source:* Child Welfare Information System, Alberta Children's Services.

### Percentage of Newborns with Low Birth Weight

Babies who weigh less than 2,500 grams (5.5 pounds) are more likely to have birth-related complications, disabilities, birth defects, and other health problems. They are also more likely to have developmental delays, learning and behavioural problems and long-term health problems.



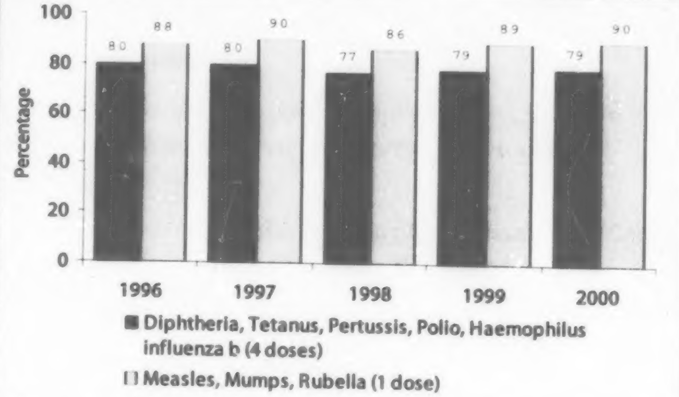
*Source:* Alberta Vital Statistics data as reported by Alberta Health and Wellness; Statistics Canada, Catalogue #84-214 (1995-1996); catalogue #84F0210XPB (1997).

p = preliminary data

**SUPPLEMENTAL INFORMATION**

## Childhood Immunization at Age 2

Immunization against childhood diseases has a significant impact on the incidence of certain communicable diseases. A high rate of immunization for Alberta can help to ensure that the incidence of these diseases remains low.



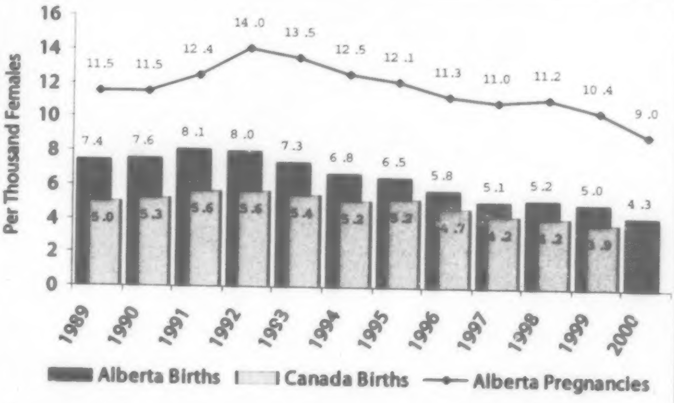
*Source:* Immunization data - Regional Health Authorities and Health Canada's First Nations and Inuit Health Branch. Population statistics for 2 years of age - Alberta Health and Wellness mid-year registration file.

*Note:* A small number of cases has not been reported, however, this does not affect the total reported above signficantly.

## Alberta Pregnancy and Birth Rates for Females Aged 10 - 17

In addition to the emotional and economic stress experienced, this group has the highest incidence of low birth weight newborns and a high incidence of pre-term delivery.

Age-specific pregnancy rates are the number of events (live births, still births, and therapeutic abortions) per 1,000 females in that age group. Spontaneous abortions are not captured.



*Source:* Alberta Pregnancy Rate and Alberta Births to Mothers (births - Vital Statistics; abortions - Alberta Clinics; population figures - Alberta Health and Wellness); Births to Mothers (Canada) - Statistics Canada.

# goal 3 Alberta students will excel

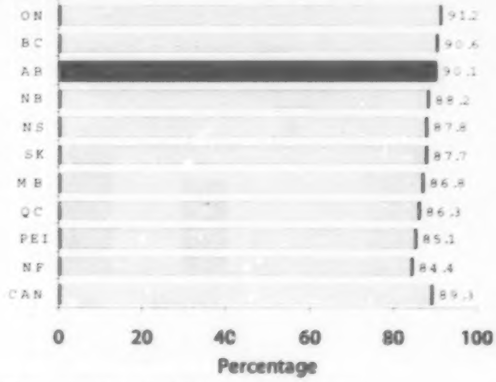
core measure(s) EDUCATIONAL ATTAINMENT
LITERACY AND NUMERACY LEVELS

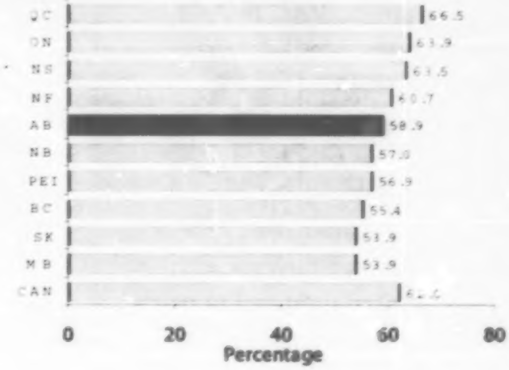
## EDUCATIONAL ATTAINMENT

**DESCRIPTION** High school and post-secondary completion.

**TARGET** By 2003, 90% of Albertans aged 25-34 will have completed high school, and 60% will have completed post-secondary education. Maintain or improve inter-provincial ranking.

**RESULTS** In 2001, 90.1% of Albertans aged 25-34 reported completing high school, and 58.9% reported completing post-secondary education, compared to 89.7% and 56.1% respectively the previous year. Alberta has attained the target for 2003 for high school completion and maintained its interprovincial rankings of 3rd for high school completion and 5th for post-secondary completion.


**PERCENTAGE OF POPULATION AGED 25-34 REPORTING HIGH SCHOOL COMPLETION** (2001)


**PERCENTAGE OF POPULATION AGED 25-34 REPORTING POST-SECONDARY COMPLETION** (2001)

*Source:* Statistics Canada, Labour Force Survey.
*Note:* Special tabulation for Alberta Learning.

**DISCUSSION** Education programs in Alberta have demanding learning expectations for students. Completion of these programs is an indication students have excelled. High school completion provides young people with entry-level knowledge and skills for employment and further study, and post-secondary completion indicates mastery of higher-level skills.

Results are presented for Albertans aged 25-34, as this group reflects recent outputs of Alberta's learning system. Higher completion rates may reflect growing awareness among young Albertans of the importance of education for improving their prospects for success in a labour force where jobs increasingly require higher knowledge and skill levels.

*For more information, see the core measures methodology and related ministry measures in Appendices I and III.*

**SUPPLEMENTAL INFORMATION**

## School Achievement Indicators Program (SAIP) Math Assessment

SAIP assessments are designed to measure cross-Canada learning expectations. A representative sample of 13 and 16 year old students in each province and territory are tested in language arts, mathematics and science on a rotating basis.

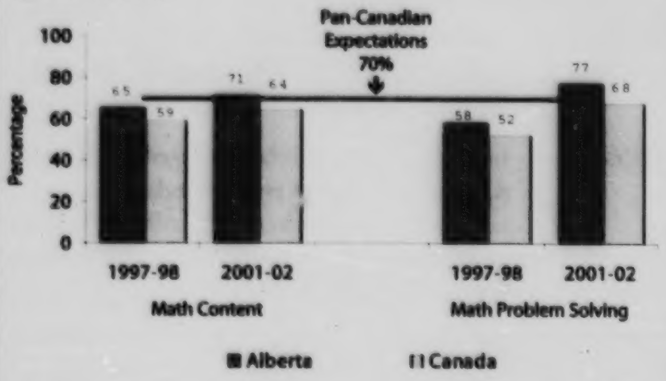
These charts show the percentages of students meeting or exceeding Pan-Canadian expectations. In 2001-02, Alberta's results exceeded or were not significantly different from Pan-Canadian expectations at all levels. Alberta students performed significantly better than Canadian students at all levels. Also, Alberta students improved from the 1997-98 assessment when compared to nearly every other province and territory.

Enhancements to curriculum and instructional resources, and a clear focus on the alignment of instruction, resources and provincial testing in core subjects have contributed to improved math results in Alberta.

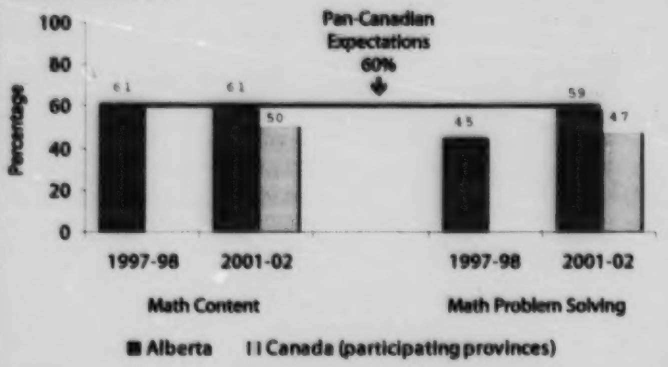
Canadian results at age 16 for 1997-98 are not included because they are not comparable to the 2001-02 results. Quebec did not participate in the 2001-02 assessment of 16 year olds.

**PERCENTAGES OF STUDENTS MEETING OR EXCEEDING EXPECTATIONS**

**AGE 13 - LEVEL 2**



**AGE 16 - LEVEL 3**



*Source:* Council of Ministers of Education, Canada - 1997, 2001.
For inter-provincial results see the April 3, 2002 SAIP news release at www.learning.gov.ab.ca/news/newsreleases.asp.

*Note:* Results are in relation to five levels of achievement. Level 2 is the standard for age 13 and Level 3 is the standard for age 16.

core measure(s)

**EDUCATIONAL ATTAINMENT**
LITERACY AND NUMERACY LEVELS

## SUPPLEMENTAL INFORMATION

### Program for International Student Assessment (PISA)

PISA assesses 15-year-old students in reading, mathematics and science, and is conducted by the Organization for Economic Cooperation and Development (OECD) every three years. In 2000, the major focus was reading.

Among the 31 countries and ten provinces participating in PISA 2000, Alberta students ranked first in reading. Alberta had the third highest scores in science and mathematics. In both subjects, Alberta's results were not significantly different from the top two countries. Our results were significantly above the Canadian average in all three subjects.

The shaded area on the table identifies results not significantly different from Alberta's, when the confidence interval is taken into account. Results at or above the OECD average are above the line across each column.

Alberta's impressive results reflect the alignment of programs, resources, instruction and assessment, as well as the emphasis on language arts as a foundation for all learning.

**PISA 2000 RESULTS FOR PARTICIPATING COUNTRIES AND PROVINCES, AVERAGE SCORES (AVERAGE FOR OECD COUNTRIES = 500; STANDARD DEVIATION = 100)**

| Reading | | Mathematics | | Science | |
|---|---|---|---|---|---|
| **Alberta** | **550** | Japan | 557 | Korea | 552 |
| Finland | 546 | **Quebec** | **550** | Japan | 550 |
| **British Columbia** | **538** | **Alberta** | **547** | **Alberta** | **546** |
| **Quebec** | **536** | Korea | 547 | **Quebec** | **541** |
| **CANADA** | **534** | New Zealand | 537 | Finland | 538 |
| **Ontario** | **533** | Finland | 536 | **British Columbia** | **533** |
| **Manitoba** | **529** | **British Columbia** | **534** | United Kingdom | 532 |
| **Saskatchewan** | **529** | Australia | 533 | **CANADA** | **529** |
| New Zealand | 529 | **Manitoba** | **533** | New Zealand | 528 |
| Australia | 528 | **CANADA** | **533** | Australia | 528 |
| Ireland | 527 | Switzerland | 529 | **Manitoba** | **527** |
| Korea | 525 | United Kingdom | 529 | **Ontario** | **522** |
| United Kingdom | 523 | **Saskatchewan** | **525** | **Saskatchewan** | **522** |
| Japan | 522 | **Ontario** | **524** | Austria | 519 |
| **Nova Scotia** | **521** | Belgium | 520 | **Newfoundland** | **516** |
| **P.E.I.** | **517** | France | 517 | **Nova Scotia** | **516** |
| **Newfoundland** | **517** | Austria | 515 | Ireland | 513 |
| Sweden | 516 | Denmark | 514 | Sweden | 512 |
| Austria | 507 | Iceland | 514 | Czech Republic | 511 |
| Belgium | 507 | Liechtenstein | 514 | **P.E.I.** | **508** |
| Iceland | 507 | **Nova Scotia** | **513** | France | 500 |
| Norway | 505 | **P.E.I.** | **512** | Norway | 500 |
| France | 505 | Sweden | 510 | United States | 499 |
| United States | 504 | **Newfoundland** | **509** | **New Brunswick** | **497** |
| **New Brunswick** | **501** | **New Brunswick** | **506** | Hungary | 496 |
| Denmark | 497 | Ireland | 503 | Iceland | 496 |
| Switzerland | 494 | Norway | 499 | Belgium | 496 |
| Spain | 493 | Czech Republic | 498 | Switzerland | 496 |
| Czech Republic | 492 | United States | 493 | Spain | 491 |
| Italy | 487 | Germany | 490 | Germany | 487 |
| Germany | 484 | Hungary | 488 | Poland | 483 |
| Liechtenstein | 483 | Russia | 478 | Denmark | 481 |
| Hungary | 480 | Spain | 476 | Italy | 478 |
| Poland | 479 | Poland | 470 | Liechtenstein | 476 |
| Greece | 474 | Latvia | 463 | Greece | 461 |
| Portugal | 470 | Italy | 457 | Russia | 460 |
| Russia | 462 | Portugal | 454 | Latvia | 460 |
| Latvia | 458 | Greece | 447 | Portugal | 459 |
| Luxembourg | 441 | Luxembourg | 446 | Luxembourg | 443 |
| Mexico | 422 | Mexico | 387 | Mexico | 422 |
| Brazil | 396 | Brazil | 334 | Brazil | 375 |

**Source:** *Measuring Up: The performance of Canada's youth in reading, mathematics and science (OECD PISA Study - First Results for Canadians aged 15)*; Catalogue #81-590-XPE; Council of Ministers of Education, Canada; Human Resources Development, Canada; 2001.
For more information, see the news release on PISA results (December 3, 2001) at www.learning.gov.ab.ca/news/newsreleases.asp.

**SUPPLEMENTAL INFORMATION**

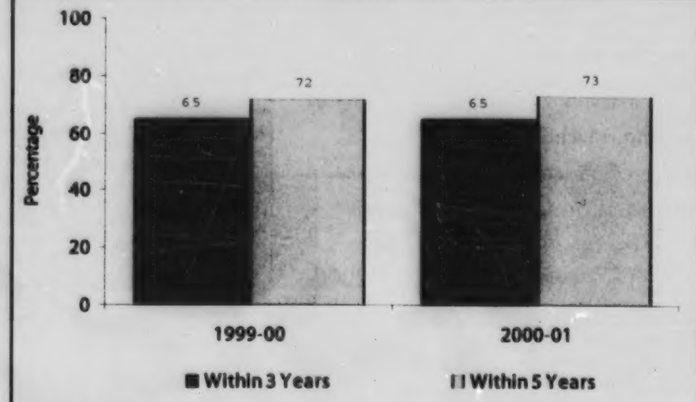
## High School Completion (revised methodology)

This chart shows the percentage of Alberta students who completed high school within three and five years of entering Grade 10. High school completion included students who, within the tracking period, received a diploma, entered a credit program at an Alberta post-secondary institution, registered in an apprenticeship program, or were eligible for post-secondary admission.

The percentage of students who completed high school within three years of entering Grade 10 (i.e, "on-time" completers) was 65% in 2000-01, unchanged from the previous year.

The percentage of students who completed high school within five years of starting Grade 10 increased slightly from 72% in 1999-00 to 73% in 2000-01. Over 3% of students tracked are still in school in the 5th year and may complete in a subsequent year.

The increase in the five-year completion rate may reflect greater awareness of the importance of completing school and the efforts of school jurisdictions to address the Ministry priority of increasing high school completion rates in the basic learning system.



*Source:* Alberta Learning.

*Note:* Reported completion rates are based on tracking to the end of the year reported. For example, the 5-year completion rate for 2000-01 is based on students entering Grade 10 in 1996-97 and tracked to the end of the 2000-01 school year. The 3-year completion rate for the same year is based on students entering Grade 10 in 1998-99 and tracked to the end of the 2000-01 school year.
The results for the 1999-2000 school year have been revised due to a change in methodology. The previous methodology tracked Grade 9 students for four and six years whereas the new methodology tracks Grade 10 students for three and five years.

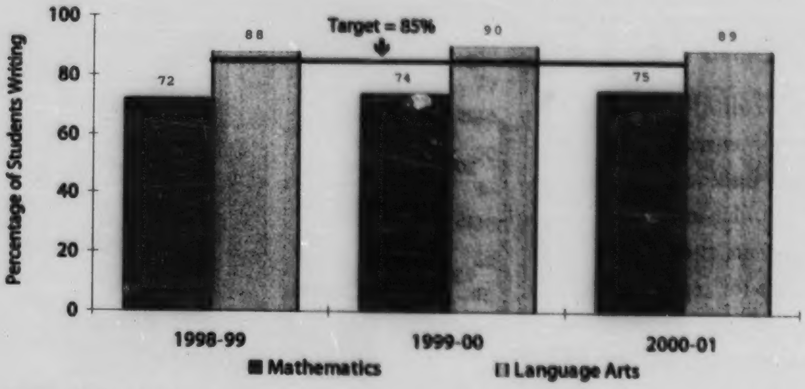
## LITERACY AND NUMERACY LEVELS

**DESCRIPTION** Achieving the acceptable standard on Grade 9 provincial achievement tests for mathematics and language arts.

**TARGET** 85% of Grade 9 students are expected to achieve the acceptable standard on provincial achievement tests in mathematics and language arts.

**RESULTS** In 2001, the percentage of Alberta students writing the test who achieved the acceptable standard in Grade 9 language arts was 89%, continuing to surpass provincial expectations. In Grade 9 mathematics, the percentage achieving the acceptable standard improved to 75%.

**PERCENTAGE OF GRADE 9 STUDENTS ACHIEVING THE ACCEPTABLE STANDARD**



*Source:* Alberta Learning.

**DISCUSSION** Part of helping Albertans become independent is ensuring that they have the knowledge and skills to participate in a changing economy and work force. An essential component of this is having the necessary literacy and numeracy skills to function in society (see also **Educational Attainment** supplemental information).

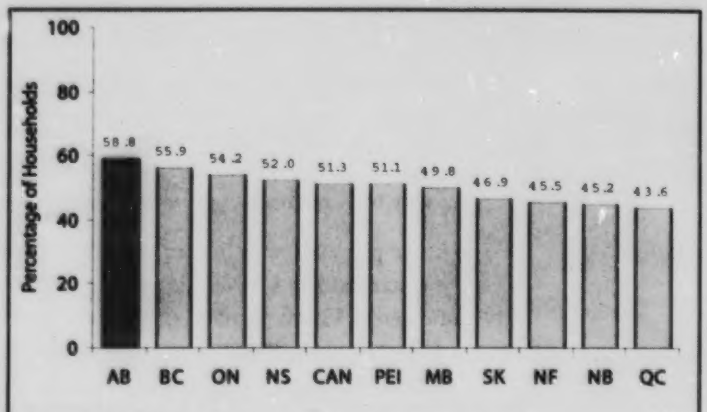
Grade 9 provincial achievement tests in mathematics and language arts are used as proxy measures of literacy and numeracy as adult literacy surveys are not conducted regularly. Students who achieve the acceptable standard have the necessary competencies to become literate and numerate adults.

Improved curriculum and instructional resources, and a clear focus on the alignment of instruction, resources and provincial testing in core subjects may have contributed to the continued good results in language arts and to the improvement in mathematics.

**SUPPLEMENTAL INFORMATION**

### Internet Use by Households (2000)

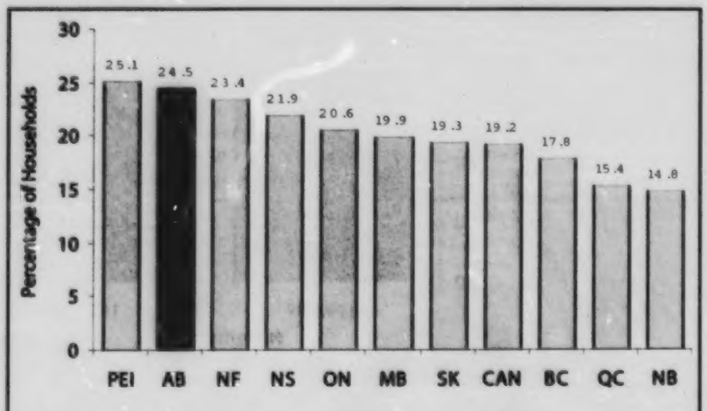
Although internet use does not require computer proficiency, it does indicate a certain level of ability to use computers and access the internet. In 2000, 58.8% of Alberta households had at least one member using the internet from any location, the highest rate in Canada.



*Source:* Statistics Canada Household Internet Use Survey, 2000.

### Internet Use at Schools (2000)

In 2000, 24.5% of all Alberta households had someone who regularly used the internet at school, the third most popular location. Home and work were the most common locations for regular internet use. In Alberta, internet use at schools was among the highest in Canada.



*Source:* Statistics Canada Household Internet Use Survey, 2000.

## goal 4 Albertans will be independent

core measure(s) ECONOMIC STATUS OF ALBERTANS

New

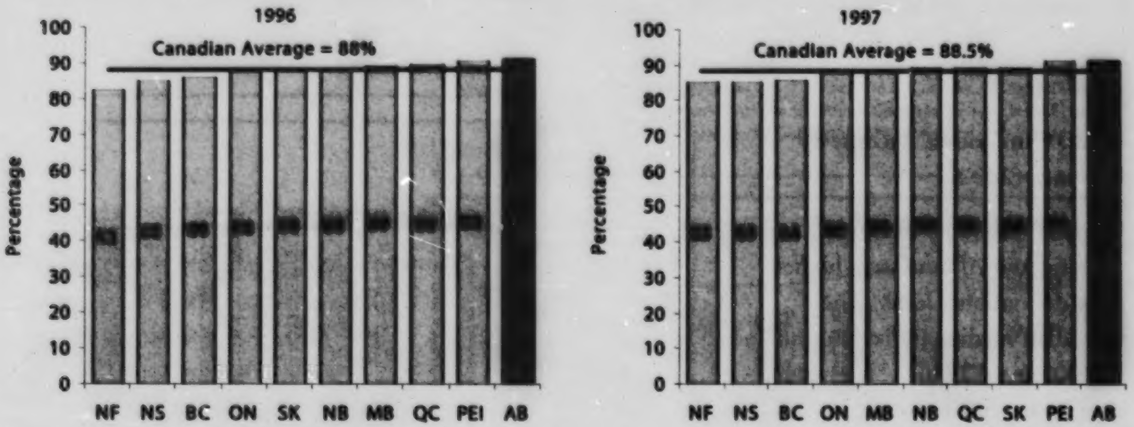
### ECONOMIC STATUS OF ALBERTANS

**DESCRIPTION** Increase the percentage of people in Alberta living above the Market Basket Measure (MBM) low income threshold.

**TARGET** To be determined once baseline is established.

**RESULTS** 92% of Albertans are living with incomes above the MBM low income threshold, exceeding the Canadian average (1997 data is based on preliminary 1996 methodology. Data for the MBM is being collected and validated by Statistics Canada. It is anticipated that MBM data for 2000 will be released by Statistics Canada in Fall 2002).

**PEOPLE LIVING ABOVE THE MARKET BASKET MEASURE LOW INCOME THRESHOLD**



*Source:* Human Resources Development Canada.
*Note:* Preliminary data only.

**DISCUSSION** We are committed to the financial well-being of Albertans.

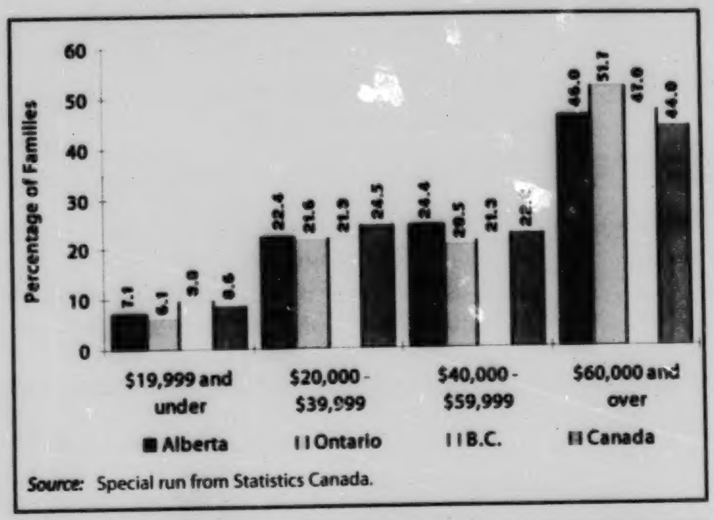
To measure the independence of Albertans, the MBM was chosen to replace the core measure of Family Income Distribution used in previous years. The MBM is a measure of Albertans who have income levels above the low income threshold. Individuals above this level are considered to be financially independent.

*For more information, see the core measures methodology and related ministry measures in Appendices I and III.*

**SUPPLEMENTAL INFORMATION**

## Family Income Distribution by Province (1999)

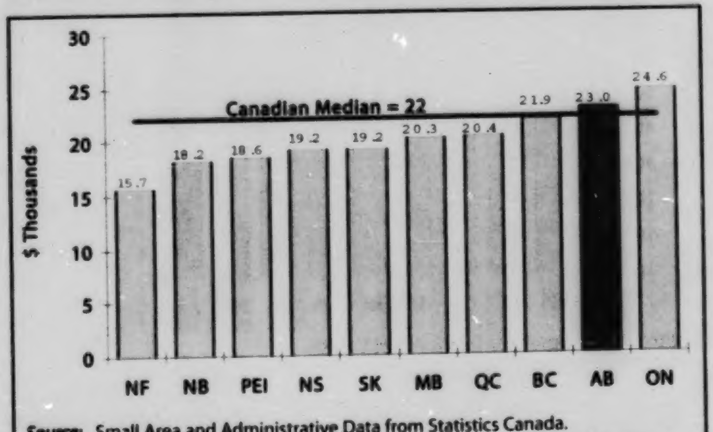
This chart shows the distribution of income for Alberta families compared to Ontario, B.C. and Canada. Families in low, medium and high income groups provides an indication of their financial well-being.



*Source:* Special run from Statistics Canada.

## Median Individual Income by Province (2000)

Median individual incomes in Ontario and Alberta were higher than the national level. The Canadian median individual income in 2000 was $22,000. Individual median income is defined as the middle point, having half the individuals earning incomes above and half below.

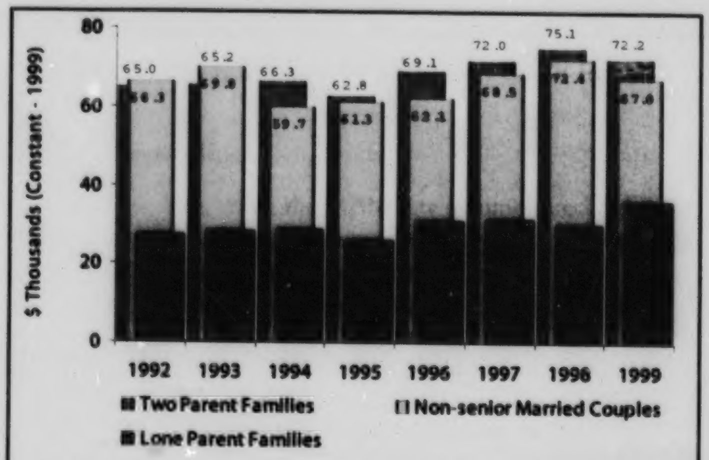


*Source:* Small Area and Administrative Data from Statistics Canada.
*Note:* Processed from administrative files from Canada Customs and Revenue Agency.

**SUPPLEMENTAL INFORMATION**

### Average Annual Family Income by Family Type

Between 1992 and 1999, family incomes have increased 11% for two parent families, 32% for lone parent families and 1% for non-senior married couples. In 1999, two parent families represented 27% of the population, non-senior married couples 15% and lone parent families 5%.

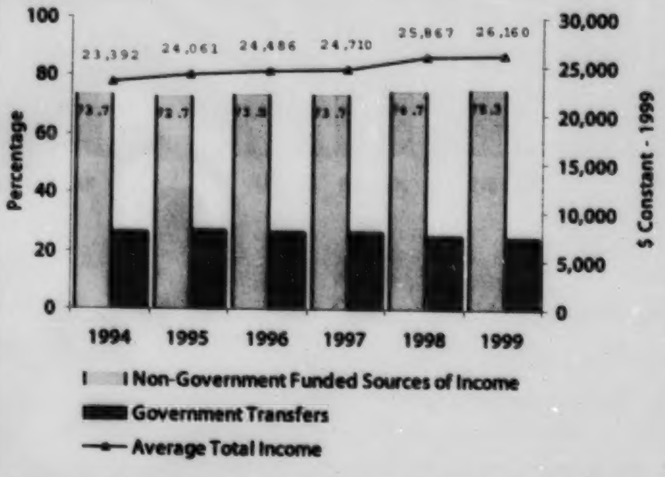


*Source:* Statistics Canada, Catalogue #75-202, Income in Canada. Historical data prior to 1996 are drawn from the Survey of Consumer Finance (SCF) and data since 1996 are taken from Survey of Labour and Income Dynamics (SLID).

### Seniors' Average Total Income

Pensions, retirement savings, and government transfers comprise the major part of seniors' incomes. By contrast, the income of younger Albertans is primarily comprised of employment income.

The chart shows that between 1994 and 1999, the average income of Alberta seniors rose by 11.8% During this period also, the composition of seniors' income changed slightly. The proportion of their income from government sources, including Old Age Security and Guaranteed Income Supplement, declined by 1.6%, while the proportion from non-Government sources, including private pensions and C/QPP, rose by the same amount.



*Source:* Small Area and Administrative Data from Statistics Canada. Processed from administrative files from Canada Customs and Revenue Agency.

*Note:* *Government Transfers* include Old Age Security, Guaranteed Income Supplement, GST rebates and Alberta Seniors Benefit. *Non-Government Funded Sources of Income* include Canada/Quebec Pension Plan, private pension, investment, RRSP, and employment.

goal **5**

# Albertans unable to provide for their basic needs will receive help

core measure(s) ECONOMIC STATUS OF ALBERTANS

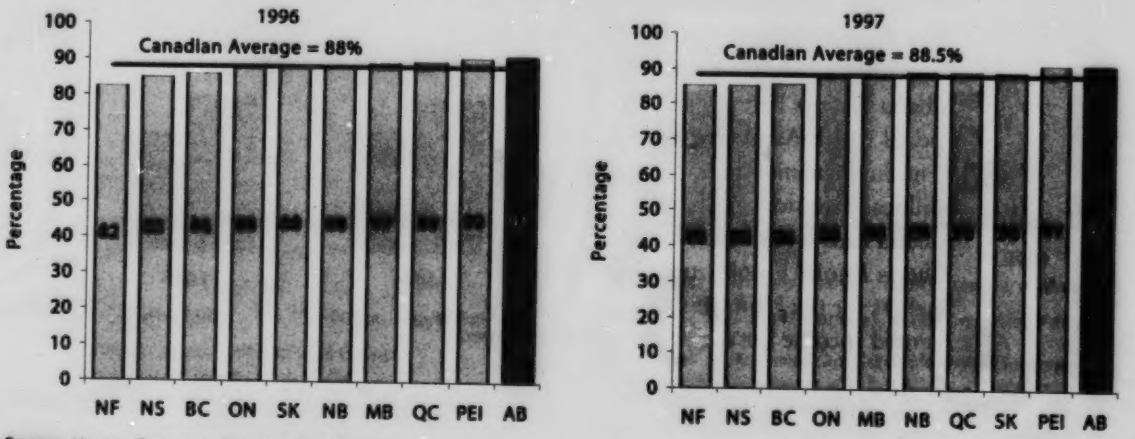
## ECONOMIC STATUS OF ALBERTANS

**DESCRIPTION** Increase the percentage of people in Alberta living above the Market Basket Measure (MBM) low income threshold.

**TARGET** To be determined once baseline is established.

**RESULTS** 92% of Albertans are living with incomes above the MBM low income threshold, exceeding the Canadian average (1997 data is based on preliminary 1996 methodology. Data for the MBM is being collected and validated by Statistics Canada. It is anticipated that MBM data for 2000 will be released by Statistics Canada in Fall 2002).

**PEOPLE LIVING ABOVE THE MARKET BASKET MEASURE LOW INCOME THRESHOLD**



*Source:* Human Resources Development Canada.
*Note:* Preliminary data only.

**DISCUSSION** Alberta is committed to providing a safety net so that Albertans unable to provide for their basic needs will receive help.

We would like all Albertans to be independent; however, some individuals require financial assistance to meet their basic needs such as food, clothing and shelter. Albertans potentially in need include lower income seniors, persons with disabilities, the homeless and single parent families.

*For more information, see the core measures methodology and related ministry measures in Appendices I and III.*

goal 5

## Albertans unable to provide for their basic needs will receive help

core measure(s)

### ECONOMIC STATUS OF ALBERTANS

Some factors, or combination of factors, may lead some Albertans to have financial difficulty in providing for their own, and their families' basic needs, at least for a short period of time. These may include:

- age (old/young)
- illness or injury
- disability or frailty
- life circumstances (i.e., family breakdown, job loss)
- lack of education or skills
- addiction
- lack of employment or underemployment

The Alberta government offers a number of programs to ensure all Albertans have access to the basic necessities. These include:

Alberta Child Health Benefit
Supports for Independence
Alberta Seniors Benefit
Special Needs Assistance for Seniors
Rent Supplement
Childcare Subsidy
Alberta Aids to Daily Living
Alberta Family Employment Tax Credit
Shelters for the Homeless
Assured Income for the Severely Handicapped

goal **6**

# The well-being and self-reliance of Aboriginal people will be comparable to that of other Albertans

core measure(s) ABORIGINAL WELL-BEING

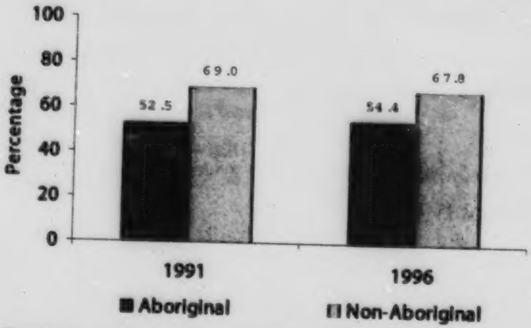
## ABORIGINAL WELL-BEING

**DESCRIPTION** Employment rate, high school/post-secondary completion, and life expectancy rates.

**TARGET** By 2010, the difference in employment rates of Aboriginal Albertans and other Albertans will be less than 10%; the percentage of Aboriginal learners 15 years of age or older with high school completion will be 60% and 30% with post-secondary completion; the difference in life expectancy of Registered Indians in Alberta and all Albertans will be reduced by one year.

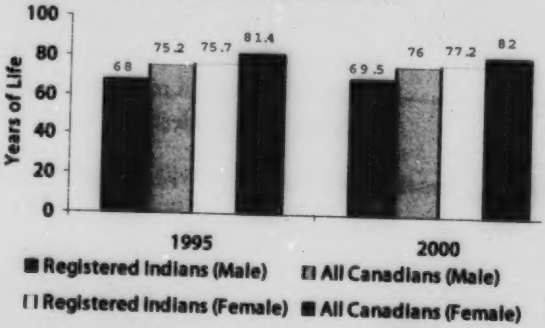
**RESULTS** Data from the 2001 Canada Census will be available in 2003.

**EMPLOYMENT RATE (ALBERTA)**



*Source:* Statistics Canada, 1991 and 1996 Census. (Custom Tabulation, 2B Target Group Profile.)

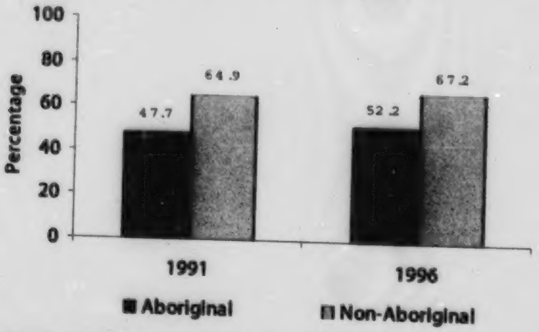
**LIFE EXPECTANCY OF REGISTERED INDIANS AND CANADIAN POPULATIONS (1995 & 2000)**



*Source:* *Basic Departmental Data 2000;* Information Management Branch, Department of Indian Affairs and Northern Development, March 2001.

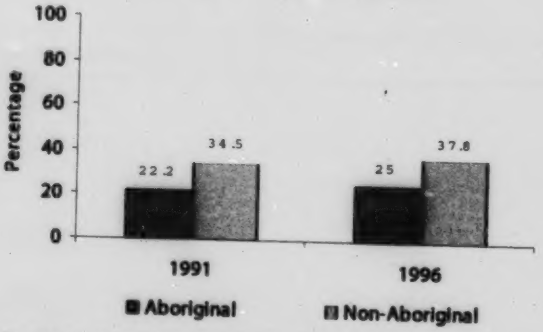
*Note:* Alberta data is currently unavailable. Federal data is used as a proxy.

**PERCENTAGE OF POPULATION AGE 15+ WITH AT LEAST HIGH SCHOOL COMPLETION (ALBERTA)**



*Source:* Statistics Canada, 1991 and 1996 Census. (Custom Tabulation, 2B Target Group Profile.)

**PERCENTAGE OF POPULATION AGE 15+ WITH POST-SECONDARY COMPLETION (ALBERTA)**



*Source:* Statistics Canada, 1991 and 1996 Census. (Custom Tabulation, 2B Target Group Profile.)

*For more information, see the core measures methodology and related ministry measures in Appendices I and III.*

goal **6**

## The well-being and self-reliance of Aboriginal people will be comparable to that of other Albertans

core measure(s) **ABORIGINAL WELL-BEING**

**DISCUSSION**

This goal is intended to address the existing socio-economic disparities between Aboriginal people and other Albertans by improving Aboriginal well-being and self-reliance. "Aboriginal self-reliance" refers to the ability of First Nation, Metis and other Aboriginal communities and individuals to manage their own affairs, develop a sustainable economic base, and participate in partnerships with government and the private sector (*Strengthening Relationships, p. 11*).

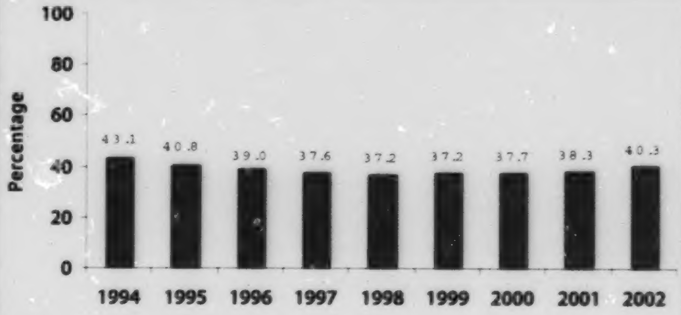
Remote Aboriginal communities often lack a strong economic base as well as access to goods, services and opportunities. Aboriginal people living in cities and towns may face discrimination and other barriers to full participation in employment. Almost half (46% in 1996) of all Aboriginal people in Alberta are under 20 years of age; these youth face a rapidly changing social, economic and work environment. Many Aboriginal people experience significant health and social challenges. Aboriginal people have expressed to the Government of Alberta that social programming by itself has failed to address the underlying economic conditions that are the basis for much of the disparity in community and individual well-being. Federal, provincial and municipal governments need to work in partnership with Aboriginal organizations and people to address these underlying conditions.

Goal 6 is supported by the Aboriginal Policy Initiative, one of the government's cross-ministry priority policy initiatives (see Appendix IV).

**SUPPLEMENTAL INFORMATION**

### Child Protection Caseload

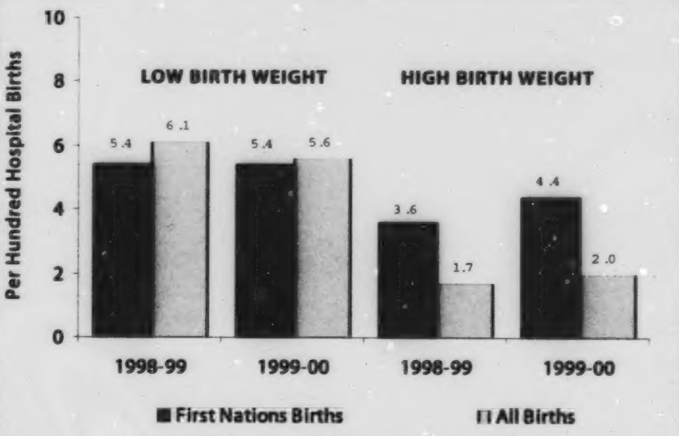
Over the past eight years, the proportion of Aboriginal children receiving protection services as a percentage of all children receiving protection services has remained relatively constant. Although a slight increase was seen during 2001 and 2002, there has been a decrease of 2.8% over the past eight years in the proportion of children receiving protection services who are Aboriginal.



**Source:** Child Welfare Information System, Alberta Children's Services.
**Note:** Data reflects March of each year.

### Percentage of Newborns with Low or High Birth Weight - First Nations

This chart shows the percentage of First Nations babies weighing less than 2,500 grams (5.5 pounds) or weighing more than 4,500 grams (9.9 pounds). High birth weight is a probable risk factor for diabetes which is more prevalent in the First Nations population.



**Source:** Regional Health Authorities (hospital births); Alberta Health and Wellness population registry (First Nations status).

core business

# *Prosperity*

The goals for the ***Prosperity*** core business focus on protecting the quality of life in Alberta through the government's priorities for our economy, work force and work places, infrastructure, value-added industries, export trade, and financial and fiscal position.

# Prosperity

## Promoting prosperity for Alberta through:

- a dynamic environment for growth in business activity and jobs
- a strong value-added sector
- a highly skilled and productive workforce
- fair and safe workplaces
- access to markets in Canada and the rest of the world for trade and investment
- new ideas, innovation and research
- a government that is financially prudent, open and accountable
- an efficient system of roads, highways, utilities and effective research infrastructure

### PERFORMANCE SUMMARY

There are eight government goals for the *Prosperity* core business and twelve performance measures, including two new measures. The following summarizes the 2001-02 performance results for the *Prosperity* core business. Where 2001-02 data is not available for a measure, the most recent reliable data is reported.

*Goal 7 - Alberta will have a prosperous economy.*

**Gross Domestic Product** - The three-year average annual GDP growth rate increased to 12.0% for 1999 to 2001 up from 10.1% for 1998 to 2000 and far exceeding the target range of 4 to 6%.

**Job Growth** - 43,900 net new jobs were created in 2001, up from 34,900 in 2000. Over the two-year period ending December 31, 2001, 78,800 net new jobs were created, moving toward the 2005 target of 295,000.

*Goal 8 - Alberta's workforce will be skilled and productive.*

**Skill Development** - The percentage of employers satisfied with the skills of recent degree or diploma graduates was 87.6% in 2001-02 compared to 86.5% in 1999-00 (biannual survey), gaining slightly on the target of 90%.

*Goal 9 - Alberta businesses will be increasingly innovative.*

**Business Innovation** - Data for Alberta business use of the Internet to sell goods and services was not available from Statistics Canada as had been expected. A new core measure will be presented next year.

*Goal 10 - Alberta's value-added industries will lead economic growth.*

New **Value-Added Industries** - In 2000, the value-added sector grew by 5.1% in constant (1997) dollars and accounted for 30.7% of Alberta's real GDP, the same percentage as 1999 and not achieving the target to increase.

*Goal 11 - Alberta will have effective and efficient infrastructure.*

**Infrastructure Capacity** - In 2001, 95.4% of rural sections of the National Highway System were at Level of Service B or better, approximately the same as last year (95.5%), meeting the target of 95%. Export gas pipeline utilization in 2001 was at 88% of capacity compared to 91% in 2000 (based on revised methodology), meeting the target for capacity to exceed demand. Industry and non-profit sponsored research at 28.2% of total university sponsored research in 2000-01, up from 26.5% in 1999-00 and satisfying the target to increase.

*Goal 12 - Alberta will have a financially stable, open and accountable government.*

**Taxation Load** - Albertans still enjoy the lowest provincial tax burden on persons among the provinces (55.2% of the provincial average in 2001-02 up from 49.8% in 2000-01). Alberta had the 2nd lowest provincial tax burden on business in 2001-02 (84.1% of the provincial average up from 82.4% in 2000-01), same ranking as last year and off target to have the lowest tax burden on business among the provinces.

**Provincial Credit Rating** - Alberta's blended credit rating as of March 31, 2002 was maintained at triple A, the highest possible rating for all three major credit rating agencies. Alberta is the only province with the top blended credit rating, achieving the target to be highest among the provinces.

**Accumulated Debt** - At March 31, 2002 Alberta's accumulated debt less $2.7 billion cash set aside for future debt repayment was $5.7 billion, compared to $8.2 billion on March 31, 2001. Debt repayment has already exceeded the target set for 2004-05, reducing the repayment period by an estimated 10 years (2014-15). Alberta is the only province in a net asset position ($9.8 billion as of March 31, 2002, excluding pension liabilities).

**Cost of Government** - In 2000-01, per capita expenditure by the Alberta government was 104% of the average per capita expenditure of the nine other provinces, up from 95% in 1999-00 and moving off the target to remain 5% below the nine-province average.

*Goal 13 - Alberta will have a fair and safe work environment.*

**Workplace Climate** - Alberta's ranking among the provinces was 2nd lowest for person-days lost due to work stoppages in 2001, up from 4th lowest in 2000, and exceeding the target to be among the three lowest. Alberta was 3rd lowest for the rate of person-days lost due to workplace injury and disease in 1999, satisfying the target to be among the three lowest. Results for 2000 unavailable from Human Resources Development Canada at time of publication.

*Goal 14 - Alberta businesses will increase exports.*

New **Export Trade** - Alberta's value-added exports to international markets were $22.6 billion in 2001, down 4.2% from $23.6 billion in 2000, and moving away from the target to reach $28.5 billion by 2004.

goal 7

# Alberta will have a prosperous economy

core measure(s) GROSS DOMESTIC PRODUCT
JOB GROWTH

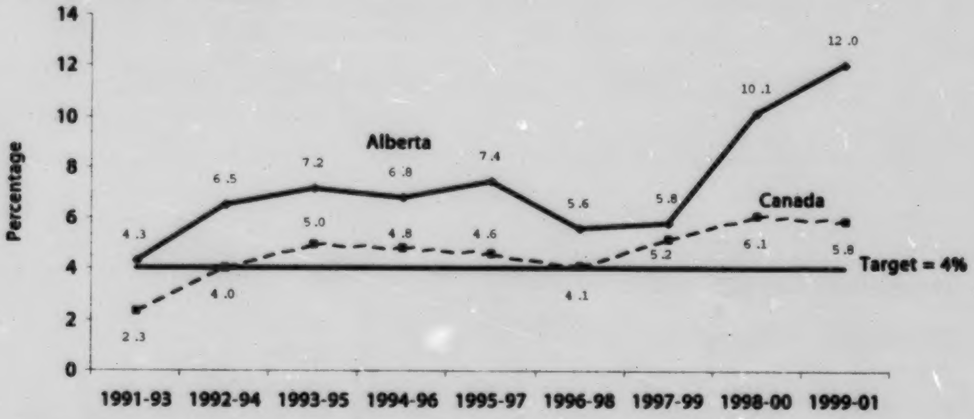
## GROSS DOMESTIC PRODUCT (GDP)

**DESCRIPTION** Long-term growth rate of the Alberta economy as measured by the three-year average annual growth rate of current dollar GDP.

**TARGET** Three-year average annual GDP growth rate of 4 to 6%.

**RESULTS** Alberta's three-year average annual GDP growth rate was 12.0% for 1999 to 2001, far exceeding the target.

**ALBERTA'S LONG-TERM GDP GROWTH RATE** (THREE-YEAR AVERAGE ANNUAL GROWTH RATE OF CURRENT DOLLAR GDP)*



*Source:* Statistics Canada, Provincial Economic Accounts 2001; Alberta Finance, Alberta Economic Accounts 2000.
* Results for previous years revised.

**DISCUSSION** GDP is a direct measure of the strength of Alberta's economy. It is a measure of the value of all goods and services produced in Alberta. Tracking this measure over time will show changes in the strength and resilience of Alberta's economy.

As we are interested in the longer-term growth trend for the Alberta economy, we have used a three-year average for GDP growth to smooth out some of the cyclical variations common to our economy.

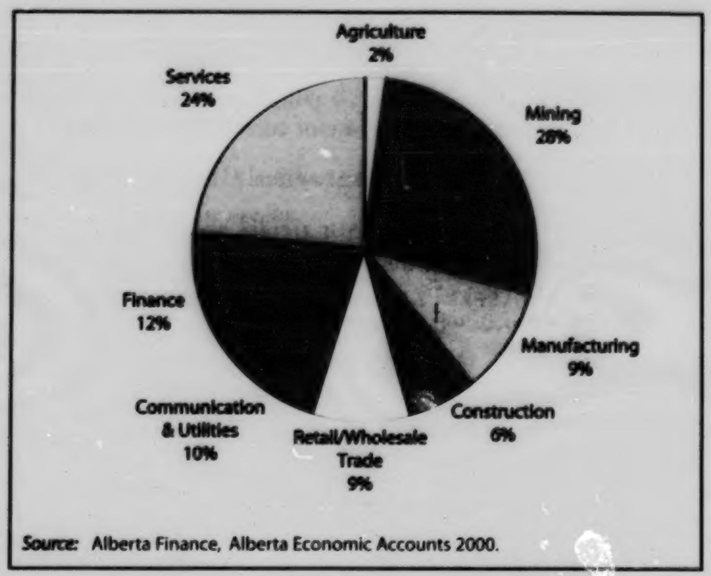
In 2001, current dollar GDP increased by an estimated 5.4% to $150.3 billion. Alberta's economy performed well during the year despite declining energy prices and an economic slowdown in North America. The September 11th terrorist attacks on the U.S. further weakened the U.S. economy and led to a softening of energy prices. In spite of these circumstances the provincial economy continued to grow due to strong household spending fueled by a robust labour market and $1.1 billion in provincial tax cuts, an increase in housing starts due to falling interest rates, a 43% boost in oilsands investment and record receipts in the livestock sector.

*For more information, see the core measures methodology and related ministry measures in Appendices I and III.*

**SUPPLEMENTAL INFORMATION**

### Alberta's GDP by Industry (2000)

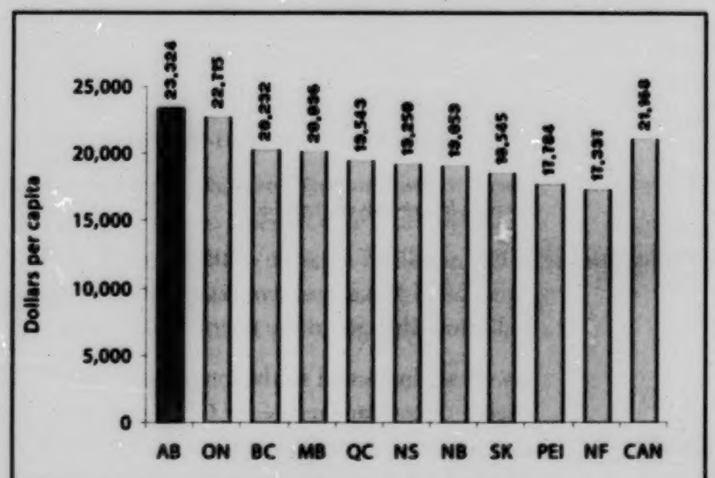
This chart shows the percentage contribution to provincial (current dollar) GDP by various industry sectors in 2000.



**Source:** Alberta Finance, Alberta Economic Accounts 2000.

### Personal Disposable Income (2001)

This chart compares personal disposable income per capita for the provinces and Canada in 2001. Alberta ranks highest among the provinces.



**Source:** Statistics Canada, Provincial Economic Accounts 2001.

**SUPPLEMENTAL INFORMATION**

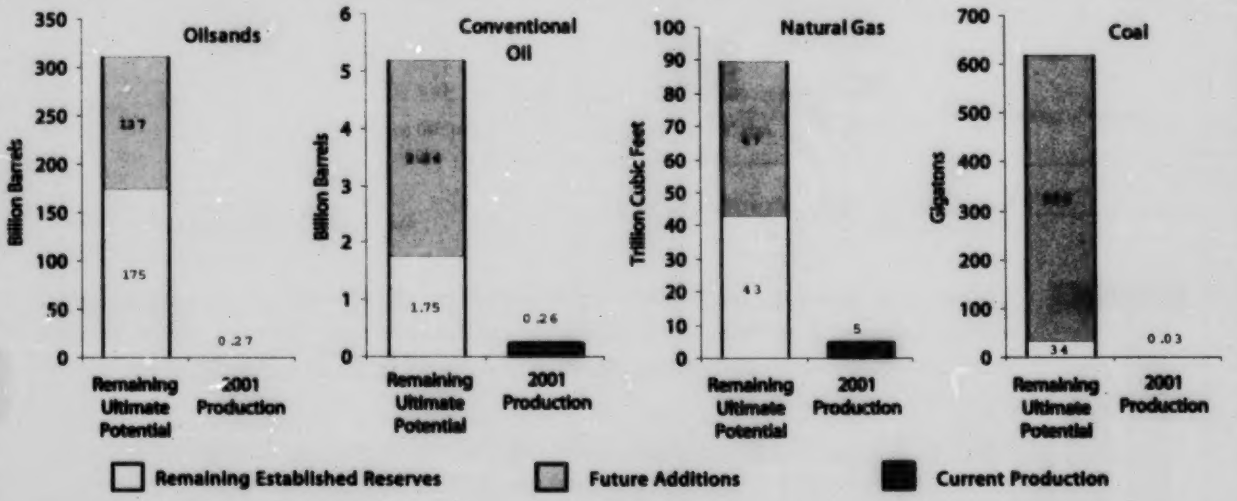
## Non-Renewable Energy Resource Reserves

Reported estimates of Alberta's energy resource reserves are made based on current and anticipated technological and economic conditions. These estimates change over time as additional reserves are proven.

Remaining ultimate potential reserves include remaining established reserves (recoverable but not yet produced), plus future additions (estimates of potentially recoverable reserves).

Remaining established reserves are not a measure of the non-renewable energy resources that Alberta has left. They are discovered reserves, net of cumulative production, that are considered recoverable under today's technology and economic conditions. Estimates are revised upwards as more of the remaining ultimate potential becomes recoverable.

This chart shows the remaining ultimate potential reserves for Alberta's oilsands, conventional oil, natural gas and coal resources relative to current production.



*Source:* The Alberta Energy and Utilities Board.
*Note:* Remaining ultimate potential updated as of year end 2000 for oilsands, 1994 for conventional oil, 1992 for natural gas and 1999 for coal.

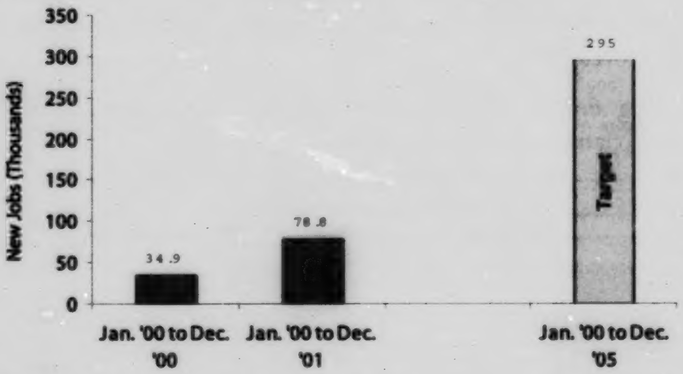
## JOB GROWTH

**DESCRIPTION** Net number of jobs created in Alberta on an annual average basis.

**TARGET** 295,000 new jobs in the 6 years ending December 2005.

**RESULTS** 43,900 new jobs were created in 2001, and 78,800 new jobs were created over the two-year period ending December 2001.

**ALBERTA'S CUMULATIVE NET EMPLOYMENT GROWTH ***



*Source:* Statistics Canada, Labour Force Survey.
* Annual average basis.

**DISCUSSION** This measure shows the net number of jobs created in Alberta's economy on an annual average basis and is an indicator of the strength of the economy. A strong economy increases employment opportunities for Albertans, enabling them to benefit from the province's economic growth.

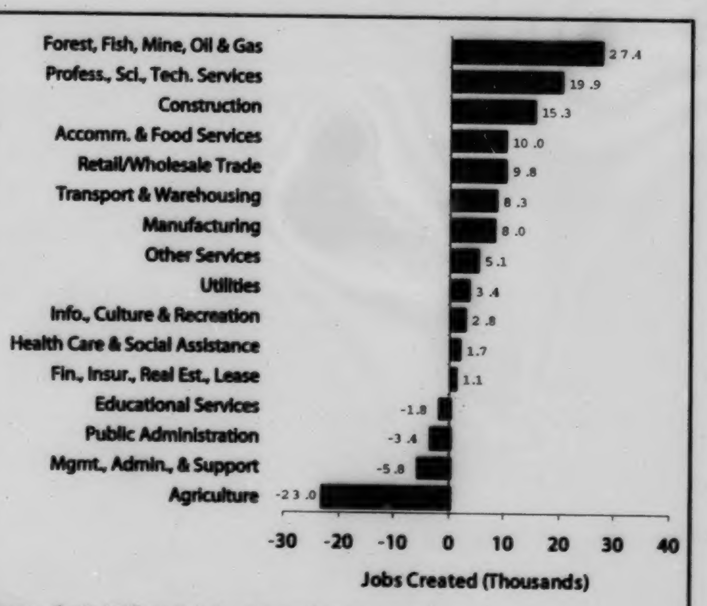
Alberta continued to enjoy a robust labour market in 2001 with the lowest average unemployment rate at 4.6% (on an annual average basis), the lowest annual rate since 1981. Employment increased by 2.8% in 2001, led by job growth in mining including oil and gas, professional, scientific and technical services, construction, accommodation and food services, retail trade, transportation and warehousing, and manufacturing.

**SUPPLEMENTAL INFORMATION**

### Alberta's Cumulative Net Employment Growth by Industry (January 2000-December 2001)

This chart shows the change in the net number of jobs created by various industry sectors over the two years ending December 2001.

Total employment increased in both the goods and services producing sectors over the period, reflecting the diversification of Alberta's economy.

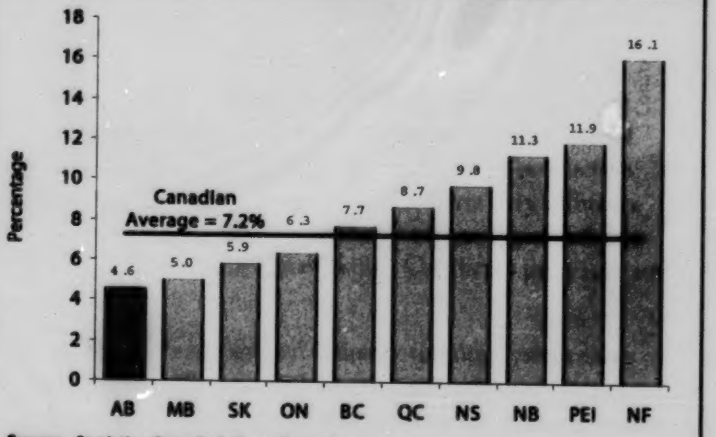


*Source:* Statistics Canada, Labour Force Survey.
*Note:* Numbers may not add to total employment due to rounding of industry numbers.

### Provincial Unemployment Rates (2001)

This chart shows the annual average unemployment rates for the provinces and Canada for 2001.

Alberta had the lowest unemployment rate among the provinces.



*Source:* Statistics Canada, Labour Force Survey.

# goal 8 Alberta's workforce will be skilled and productive

core measure(s) SKILL DEVELOPMENT

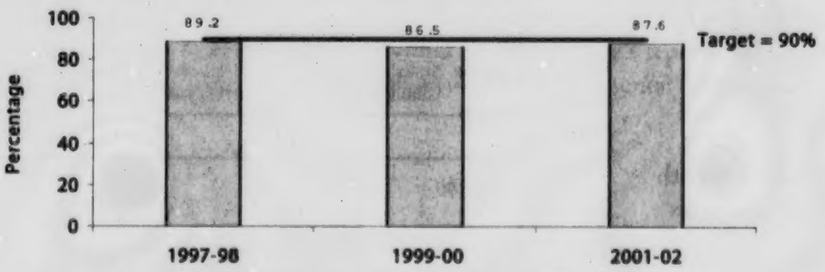
## SKILL DEVELOPMENT

**DESCRIPTION** Employer satisfaction with recent post-secondary graduates' skills.

**TARGET** 90% of employers satisfied with recent post-secondary graduates' skills.

**RESULTS** The percentage of employers who were either "satisfied" or "very satisfied" with recent degree or diploma graduates' skills was 87.6% in 2001-02.

**EMPLOYER SATISFACTION WITH RECENT POST-SECONDARY GRADUATES' SKILLS**
(SATISFIED OR VERY SATISFIED WITH DEGREE OR DIPLOMA GRADUATES)*



*Source:* Employer Satisfaction Surveys conducted for Alberta Learning.
* Results for previous years revised.

**DISCUSSION** Alberta businesses and industries need to remain competitive in global markets. This requires a highly-skilled and productive work force and an effective match between skill development and skill demand.

This measure provides a direct indicator of whether workforce skill levels match job requirements. The results for this measure are from surveys conducted every second year for Alberta Learning, which asks employers to indicate their level of satisfaction with post-secondary graduates' skills. Economic conditions in Alberta may influence employers' perceptions. In next year's report, the core measure will be expanded to include employer satisfaction with certificate graduates' skills. Certificate programs are typically up to one year in length.

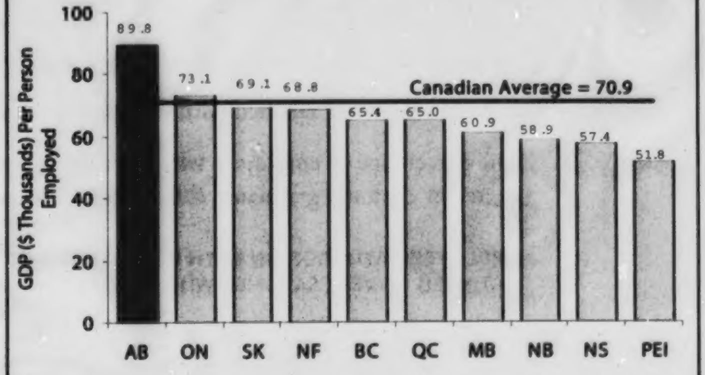
Employers involved in the Alberta apprenticeship and industry training system show very high levels of satisfaction with the skills that their journeymen acquired during training (see supplemental information). These results indicate that the training system responds well to industry needs for skilled trades people, which supports the overall government policy of sustaining economic progress and competitiveness in the province.

*For more information, see the core measures methodology and related ministry measures in Appendices I and III.*

**SUPPLEMENTAL INFORMATION**

### Provincial Labour Productivity (2000)

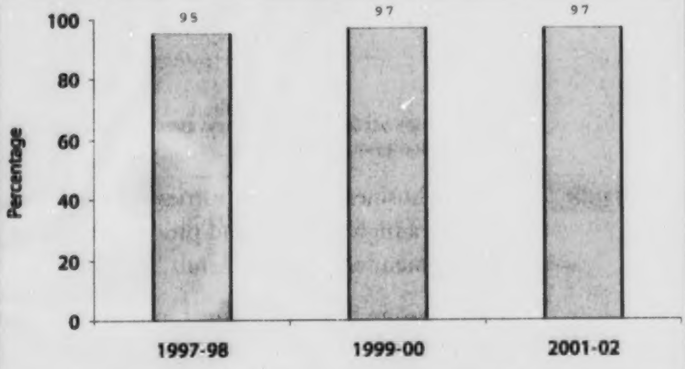
Alberta's labour productivity remained the highest among the provinces in 2000. Productivity is measured by GDP (thousands of current dollars) per person employed.



*Source:* Statistics Canada, Provincial Economic Accounts 2001; Statistics Canada, Labour Force Survey; Alberta Finance, Alberta Economic Accounts 2000.

### Employer Satisfaction with Apprenticeship Graduates

This chart shows the percentage of employers involved in the Alberta apprenticeship and industry training system who were "satisfied" or "very satisfied" with the skills that their journeymen acquired during training.



*Source:* Surveys of Employer Satisfaction with Apprenticeship Training and Skilled Tradesmen conducted for Alberta Learning.

# goal 9 Alberta businesses will be increasingly innovative

core measure(s) BUSINESS INNOVATION

## BUSINESS INNOVATION

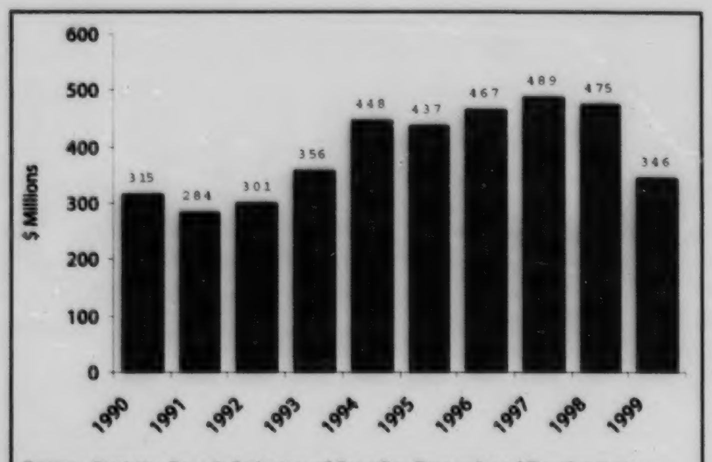
| | |
|---|---|
| **DESCRIPTION** | Alberta business use of the Internet to sell goods and services. |
| **TARGET** | Alberta business use of the Internet will account for an increasing percentage of economic activity. |
| **RESULTS** | Currently, no suitable data is available for Alberta business use of the Internet to sell goods and services. The *Statistics Canada Information and Communications Technologies and Electronic Commerce Survey* noted in last year's report does not provide provincial data as had been expected.<br>A new Business Innovation core measure was introduced in the *2002-05 Government of Alberta Business Plan* and will be reported on in next year's report. Information about the new core measure is presented following the supplemental information. |

***For more information, see the core measures methodology and related ministry measures in Appendices I and III.***

**SUPPLEMENTAL INFORMATION**

## Value of Alberta Business Research and Development Expenditure

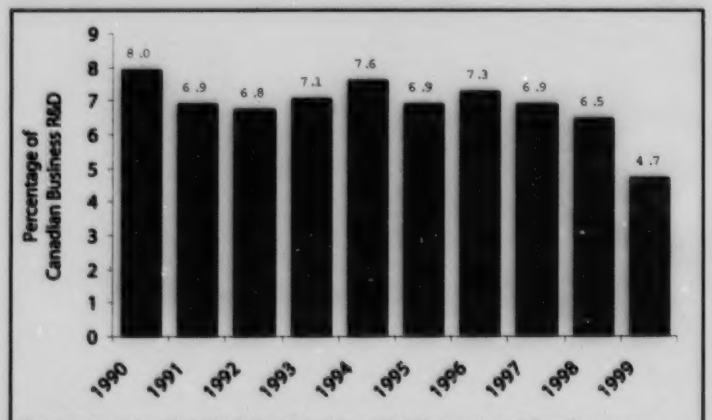
This chart shows the total value of business R&D in Alberta over the ten years up to 1999.



**Source:** Statistics Canada Estimates of Canadian Research and Development Expenditures (GERD), Canada (1990 to 2001e), and by Province (1990 to 1999).

## Alberta Business Research and Development Expenditure (relative to Canadian business R&D)

This chart shows Alberta's share of Canadian business research and development spending over the ten years up to 1999.



**Source:** Statistics Canada, Estimates of Canadian Research and Development Expenditures (GERD), Canada (1990 to 2001e), and by Province (1990 to 1999).

## NEW CORE MEASURE FOR NEXT YEAR

# Business Innovation

This will appear as a new core measure in next year's report for this goal.

### WHY A NEW MEASURE

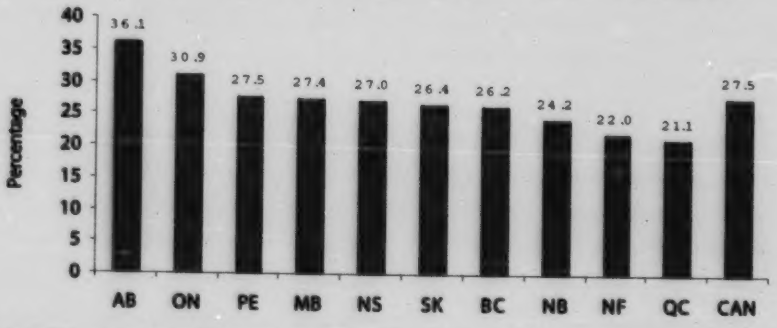
Innovation is a process through which economic value is extracted from knowledge. It is through innovation that new products are introduced to markets, new production processes are developed and implemented, and organizational changes are made. Businesses that are innovative are more profitable, create more jobs and fare better in global markets.

The Internet is an integral part of the innovative process for the creation, distribution and application of knowledge and information. The new core measure broadens the scope for measuring innovativeness to include all business use of the Internet including e-commerce. Internet-connectedness allows the exchange and sharing of information as well as relationship building among businesses and with their customers. E-commerce can be viewed as one of many innovative applications of Internet technology to business activities.

### NEW MEASURE

The new, broader Business Innovation core measure was introduced in the *2002-05 Government of Alberta Business Plan*. Data for the measure is from Statistics Canada's Household Internet Use Survey. Results of the 2000 survey show that the percentage of Alberta households with at least one member who uses the Internet at work was 36.1%, up from 27.6 % in 1999. Alberta has had the highest percentage of households that use the Internet at work among the provinces since 1997. The government's SuperNet project promotes business use of the Internet by endeavouring to provide competitively priced high-speed Internet access to all geographic locations with the province. The Connectivity 2000 E-Business Information Kit initiative is designed to encourage small and medium sized-Alberta companies to adapt to today's competitive knowledge-based economy by addressing e-commerce and other on-line business concerns.

**PERCENTAGE OF HOUSEHOLDS USING THE INTERNET AT WORK (2000)**



**Source:** Statistics Canada, Household Internet Use Survey 2000, Cat. No. 56M0002XCB.

goal

# 10 Alberta's value-added industries will lead economic growth

core measure(s) VALUE-ADDED INDUSTRIES

New

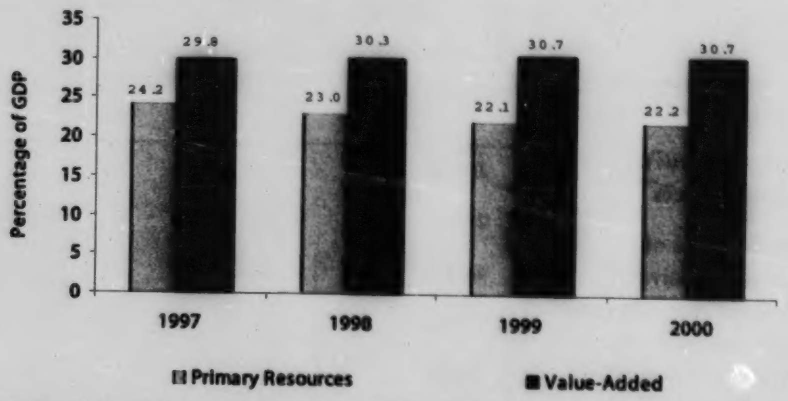
## VALUE-ADDED INDUSTRIES

**DESCRIPTION** Percentage of provincial real GDP contributed by the manufacturing and knowledge - intensive services industries as proxies for value-added industries in Alberta.

**TARGET** Alberta's value-added industries will account for an increasing percentage of provincial GDP.

**RESULTS** Alberta's value-added sector accounted for 30.7% of provincial real GDP in 2000.

**ALBERTA VALUE-ADDED AND PRIMARY RESOURCES INDUSTRIES**
(AS A PERCENTAGE OF PROVINCIAL REAL GDP)*



*Source:* Statistics Canada, Provincial Economic Accounts 2001; Alberta Finance, Alberta Economic Accounts 2000.
* Based on estimated data.

**DISCUSSION** Alberta's economy has historically been resource based and resources still account for over 22% of provincial GDP. By increasing the level of value-added activity, Alberta's global competitiveness and long-term economic stability can be enhanced. Value-added industries include resource processing, manufacturing of goods, and the provision of various services.

This measure tracks the percentage of constant (1997) dollar provincial GDP (at factor cost) contributed by the manufacturing and knowledge-intensive services sectors, as a proxy for Alberta's value-added industries. Primary resource industries are included for comparison to the value-added sector. The scope of the measure has been expanded from last year to include the high value-added knowledge-intensive services sectors.

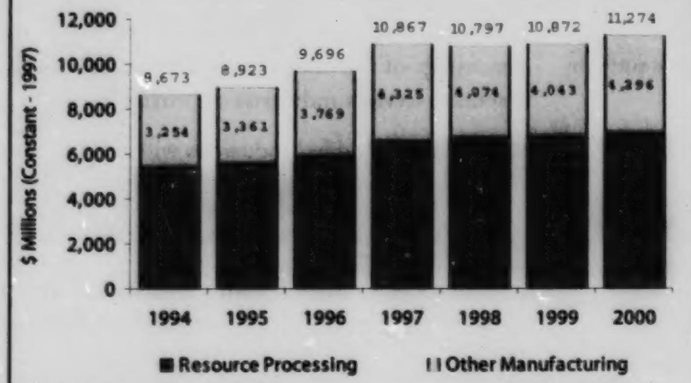
In 2000, Alberta's value-added sector grew by 5.1% in constant (1997) dollar terms, but remained at 30.7% of provincial real GDP (at factor cost).

*For more information, see the core measures methodology and related ministry measures in Appendices I and III.*

**SUPPLEMENTAL INFORMATION**

## Value of Resource Processing and Other Manufacturing

This chart shows the amount of Alberta's GDP generated by resource processing and other manufacturing industries measured in constant (1997) dollars.



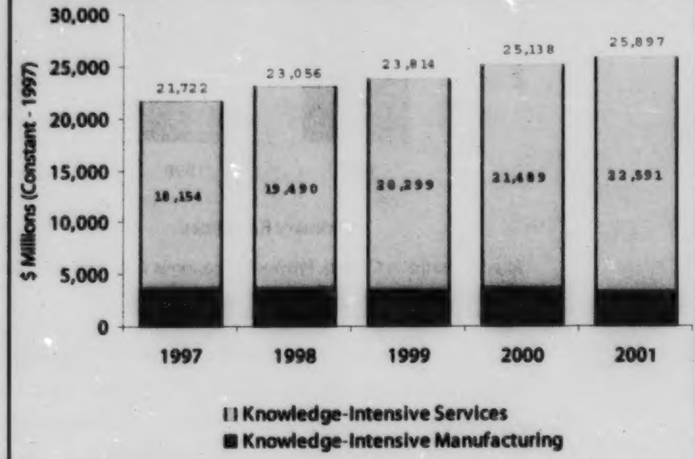
*Source:* Alberta Finance, Alberta Economic Accounts 2000. See Value-Added core measure in Appendix I.

## Value of Knowledge-Intensive Manufacturing and Services

This chart shows the value of Alberta's knowledge-intensive manufacturing and service industries in constant (1997) dollars. Knowledge-intensive industries are high value added and employ a high percentage of knowledge workers, or involve the development or application of advanced technologies.

Knowledge-intensive manufacturing includes computer and electronic products, aerospace products and parts, and chemical and chemical products manufacturing.

Knowledge-intensive services include information and cultural services, professional, scientific and technical services, monetary authorities and depository credit intermediation, educational services, health care and social assistance, and various membership organizations.



*Source:* Statistics Canada, Provincial Economic Accounts 2001; Alberta Finance. See Value-Added core measure in Appendix 1.

# goal 11 Alberta will have effective and efficient infrastructure

core measure(s) INFRASTRUCTURE CAPACITY

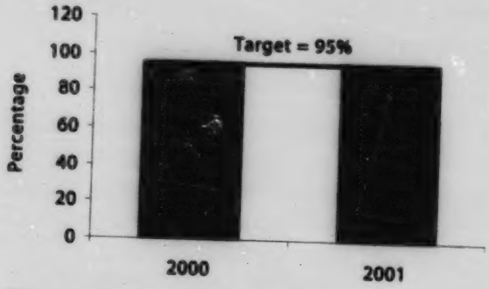
## INFRASTRUCTURE CAPACITY

**DESCRIPTION** Sufficiency of Alberta's infrastructure system as measured by the ease of traffic flow on Alberta's rural National Highway System, the utilization rate of our export gas pipelines and the level of industry and non-profit sponsored research at Alberta's universities.

**TARGET** 95% of rural sections of the National Highway System at Level of Service B or better upon completion of the North-South Trade Corridor; export gas pipeline capacity will exceed demand; and continue to increase industry and non-profit sponsored research.

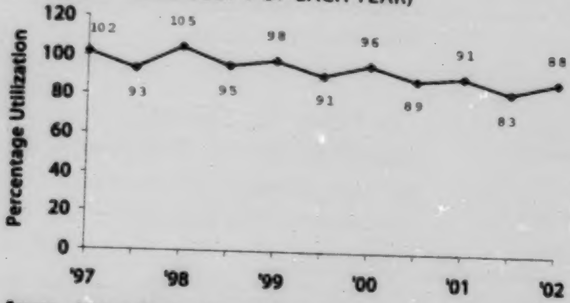
**RESULTS** In 2001, 95.4% of rural sections of the National Highway System in Alberta were at Level of Service B or better, and there was sufficient export gas pipeline capacity to meet demand. Industry and non-profit sponsored research increased by $24.8 million, representing 28.2% of total sponsored research at Alberta universities in 2000-01.

**RURAL NATIONAL HIGHWAY SYSTEM LEVEL OF SERVICE** (% OF SYSTEM AT LEVEL OF SERVICE B OR BETTER)*



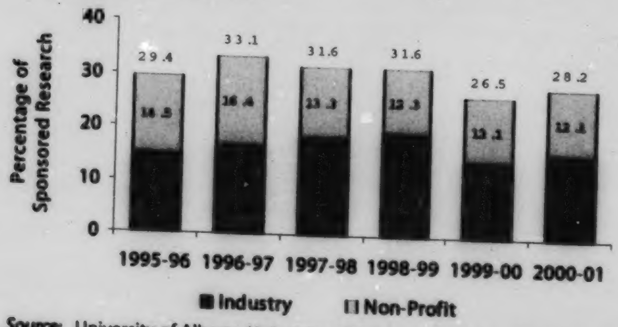
*Source:* Alberta Transportation.
* Based on revised methodology. See Appendix I.

**EXPORT GAS PIPELINE UTILIZATION*** (JANUARY 1 AND JULY 1 OF EACH YEAR)



*Source:* Alberta Energy. Derived from Nova Gas Transmission Ltd. and Alliance Pipeline Ltd. Only the four major export points are included.
* 2000, 2001 and 2002 based on revised methodology. See Appendix I.

**INDUSTRY AND NON-PROFIT SPONSORED RESEARCH AT ALBERTA UNIVERSITIES**



*Source:* University of Alberta, University of Calgary, University of Lethbridge, Athabasca University.

*For more information, see the core measures methodology and related ministry measures in Appendices I and III.*

## goal 11 Alberta will have effective and efficient infrastructure

core measure(s) **INFRASTRUCTURE CAPACITY**

**DISCUSSION**

Quality infrastructure is regarded as an essential building block to support economic development. **Infrastructure Capacity** is a measure of whether Alberta's existing infrastructure system has sufficient capacity to support current economic activity and to facilitate future growth.

This measure tracks the ability of Alberta's highways to accommodate traffic flow volumes, export gas pipelines to accommodate throughput and the province's university research system to accommodate current and future research activities.

The Rural National Highway System Level of Service measure tracks the ability of traffic to move freely on Alberta's highways. Level of Service B means that highway users can travel at posted speeds and easily manoeuvre and overtake slower traffic. While increases in traffic volume reduce the level of service, the completion of specific highway improvements such as interchanges, widenings and the twinning of the North-South Trade Corridor, for example, improve traffic flow.

In 2001, 95.4% of rural sections of the National Highway System in Alberta were at Level of Service B or better. The methodology for this measure has been updated (see Infrastructure Capacity core measure in Appendix I). The results for 2000 have been revised from last year's report based on the change in methodology.

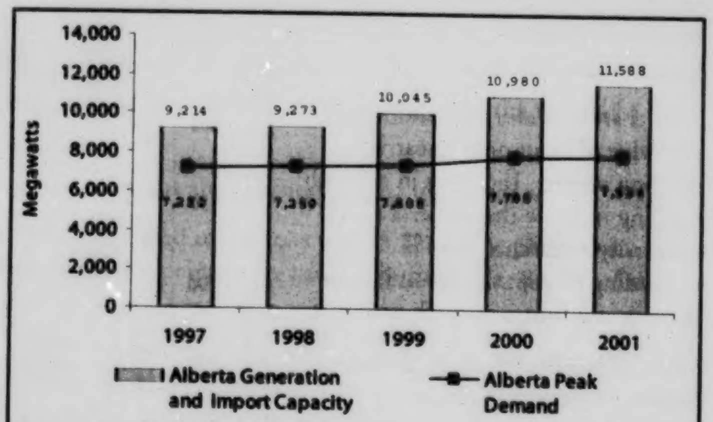
The Export Gas Pipeline Utilization measure is an indicator of Alberta's access to natural gas markets. The government monitors instances when demand for natural gas throughput exceeds available take-away pipeline capacity, as has occurred in past years. Available capacity increased in late 1998 with expansion of the TransCanada Pipelines and Foothills/Northern Border Pipeline. The Alliance Pipeline project further increased capacity in late 2000, boosting take-away capacity sufficiently to meet demand.

The level of industry and non-profit sponsored research at Alberta universities is an indication of the utilization of our publicly accessible knowledge base for non-government sponsored research. The dollar value of industry and non-profit sponsored research rose by $24.8 million in 2000-01, representing 28.2% of total sponsored research at Alberta universities.

**SUPPLEMENTAL INFORMATION**

## Alberta's Electrical System Capacity

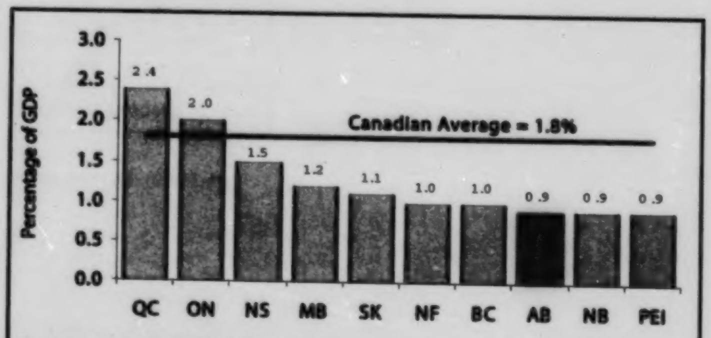
We currently have 10,638 megawatts of power generation capacity (compared to 10,030 megawatts in 2000) and access to 950 megawatts from other jurisdictions for a total electrical system capacity of 11,588 megawatts. Not all system capacity is continuously available to meet demand. Capacity available to meet demand is currently 10,169 megawatts. New supply continues to come on-line, including sources such as co-generation, biomass and wind power. Additional power will also become available from neighbouring jurisdictions as the interconnection capacity increases.



*Source:* Power Pool of Alberta; Alberta Energy.
*Note:* Alberta generation and import data has been restated to include on site industrial generation.

## Canadian and Provincial Gross Expenditure on Research and Development (1999)

This chart shows the gross expenditure on R&D for Canada and each province as a percentage of GDP. This measure is the standard international basis for comparison of R&D effort.



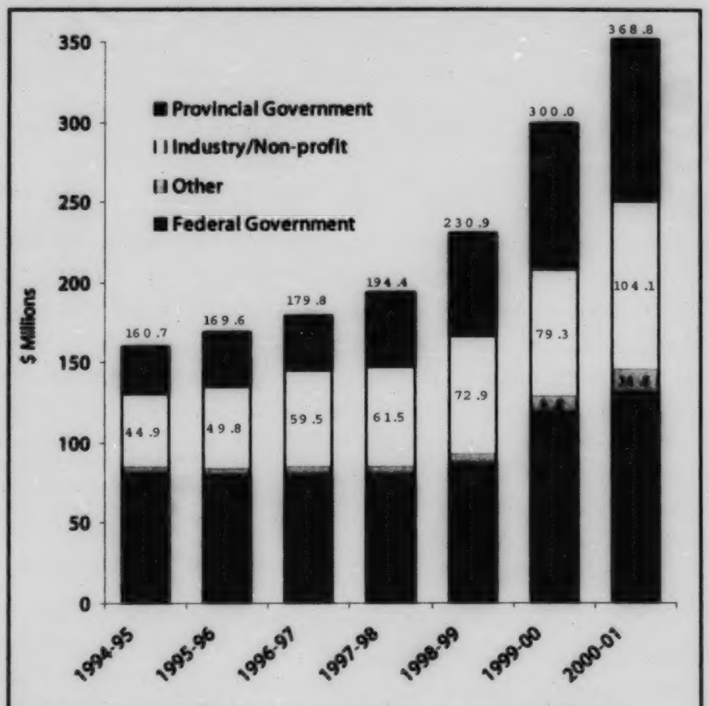
*Source:* Statistics Canada Service Bulletin Science Statistics Vol. 25, No. 08, Table 4.

**SUPPLEMENTAL INFORMATION**

## Sponsored Research at Alberta Universities

This chart provides a breakdown of the value of sponsored research by funding source. Increases in research funding indicate that Alberta's university research system is expanding its capacity to undertake current and future research activities.

Since all R&D activity, regardless of funding source, contributes to Alberta's research infrastructure, this measure will replace Industry and Non-Profit Sponsored Research as part of the core measure for this goal in next year's report.



**Source:** University of Alberta, University of Calgary, University of Lethbridge, Athabasca University.

goal

# 12 Alberta will have a financially stable, open and accountable government

core measure(s)

TAXATION LOAD
PROVINCIAL CREDIT RATING
ACCUMULATED DEBT
COST OF GOVERNMENT

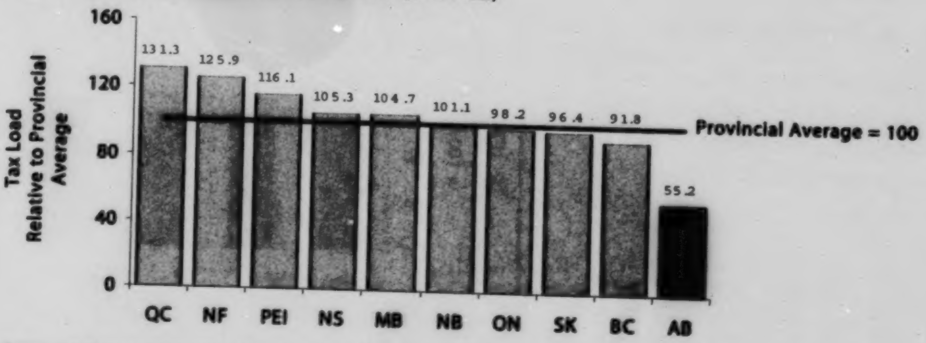
## TAXATION LOAD

**DESCRIPTION** Alberta's provincial taxation load on persons and business relative to the provincial average.

**TARGET** Maintain the lowest tax load on persons and business among the provinces.

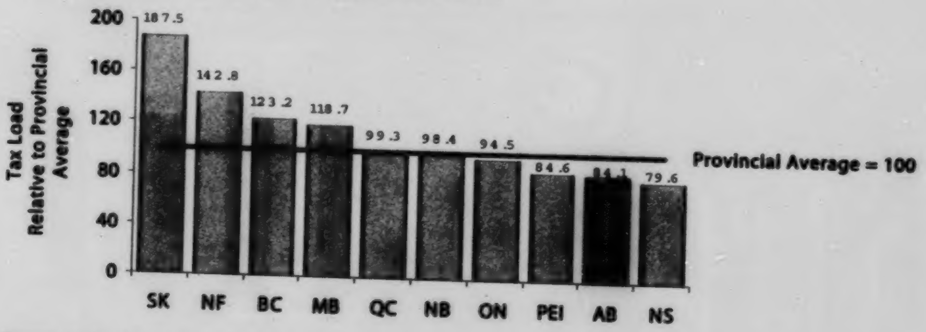
**RESULTS** In 2001-02, Alberta's provincial tax load on persons was 55.2% of the provincial average, the lowest in Canada. The province's tax load on business was 84.1% of the provincial average, the 2nd lowest in Canada.

**PROVINCIAL TAX LOAD ON PERSONS** (2001-02)



*Source:* Federal Department of Finance, Third Estimate for 2001-02, February 2002; Alberta Finance.

**PROVINCIAL TAX LOAD ON BUSINESS** (2001-02)



*Source:* Federal Department of Finance, Third Estimate for 2001-02, February 2002; Alberta Finance.

*For more information, see the core measures methodology and related ministry measures in Appendices I and III.*

## goal 12 Alberta will have a financially stable, open and accountable government

core measure(s)

**TAXATION LOAD**
PROVINCIAL CREDIT RATING
ACCUMULATED DEBT
COST OF GOVERNMENT

**DISCUSSION**

A comprehensive indicator of the provincial tax burden on Albertans is provincial tax load expressed as a percentage of the average tax load of all the provinces. Tax load on persons includes income, sales, tobacco, fuel and payroll taxes, and health care premiums. In 2001-02, Alberta had the lowest provincial tax load on persons in Canada (55.2% of the provincial average), and the 2nd lowest tax load on business (84.1%) next to Nova Scotia (79.6%).

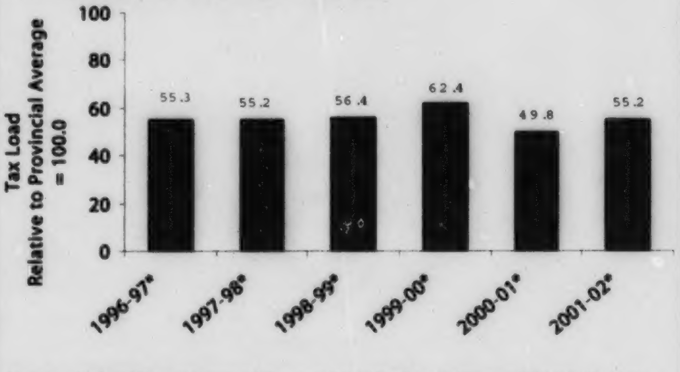
Alberta has had the lowest tax load on persons since 1996-97, and the 2nd lowest tax load on business for five of the past six years. Alberta's provincial tax payable for 2002 by a family of four with two children is the lowest among the provinces (see supplemental information).

**SUPPLEMENTAL INFORMATION**

### Alberta Provincial Tax Load

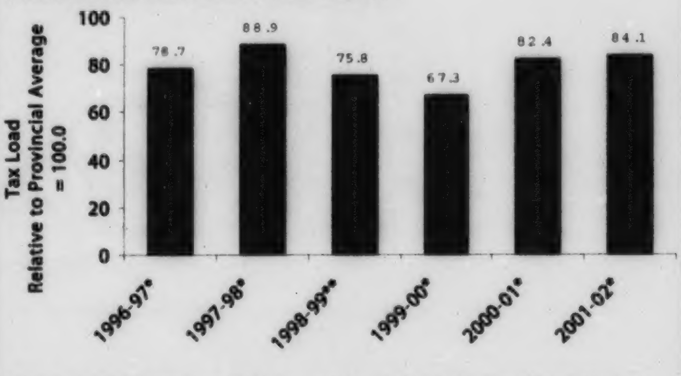
These charts show Alberta's recent provincial tax load on persons and business as a percentage of the average tax loads of the ten provinces.

**PROVINCIAL TAX LOAD ON PERSONS**



*Source:* Federal Department of Finance, Equalization Estimates; Alberta Finance.
*Note:* Results for previous years revised.
* Lowest among the provinces.

**PROVINCIAL TAX LOAD ON BUSINESS**



*Source:* Federal Department of Finance, Equalization Estimates; Alberta Finance.
*Note:* Results for previous years revised
* Second lowest among the provinces.
** Lowest among the provinces.

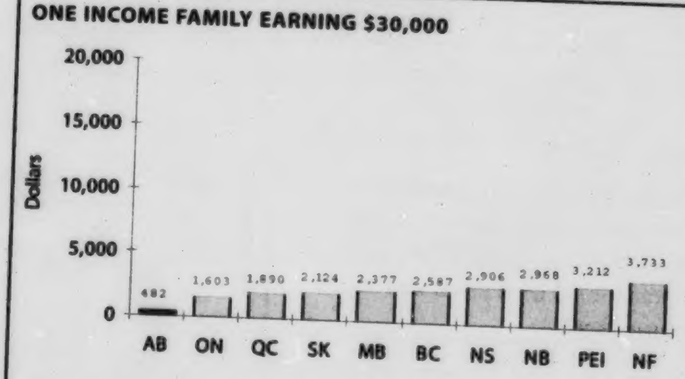
core measure(s)

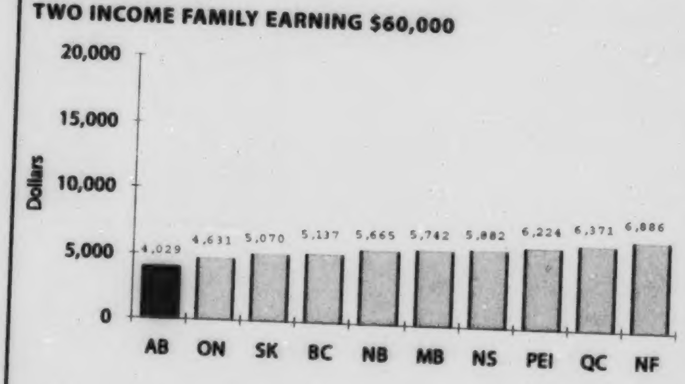
**TAXATION LOAD**
PROVINCIAL CREDIT RATING
ACCUMULATED DEBT
COST OF GOVERNMENT

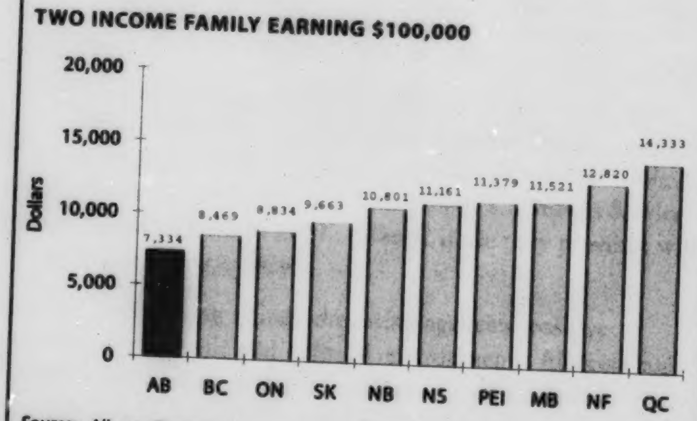
**SUPPLEMENTAL INFORMATION**

## Selected Provincial Tax Payable by a Family of Four (2002)

These charts show an inter-provincial comparison of provincial taxes payable by a family of four with two children earning $30,000, $60,000 and $100,000 per year. Taxes payable include provincial income, sales, payroll, tobacco and fuel taxes, and health care premiums.


**ONE INCOME FAMILY EARNING $30,000**


**TWO INCOME FAMILY EARNING $60,000**


**TWO INCOME FAMILY EARNING $100,000**

*Source:* Alberta Finance.
*Note:* Assumptions for the calculation can be found in Budget 2002, p 122. Calculations are based on tax parameters known at February 26, 2002. Provincial income tax in Quebec is net of the federal abatement.

# goal 12 Alberta will have a financially stable, open and accountable government

core measure(s)

**TAXATION LOAD**
PROVINCIAL CREDIT RATING
ACCUMULATED DEBT
COST OF GOVERNMENT

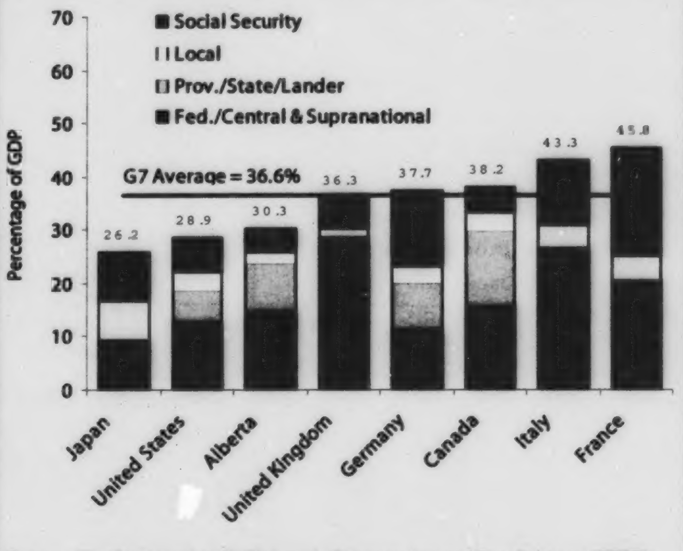
**SUPPLEMENTAL INFORMATION**

## G7 Total Tax Load (1999)

This chart compares Alberta's tax load as a percentage of GDP to the tax loads of the G7 countries.

The tax load in each jurisdiction includes all applicable municipal, provincial/state, federal and supranational level taxes, and social security levies.

Alberta's tax load is more than six percentage points lower than the G7 average.



**Source:** The Organization for Economic Co-operation and Development (OECD) Revenue Statistics; Statistics Canada; Alberta Finance.

# goal 12 Alberta will have a financially stable, open and accountable government

core measure(s)

TAXATION LOAD
**PROVINCIAL CREDIT RATING**
ACCUMULATED DEBT
COST OF GOVERNMENT

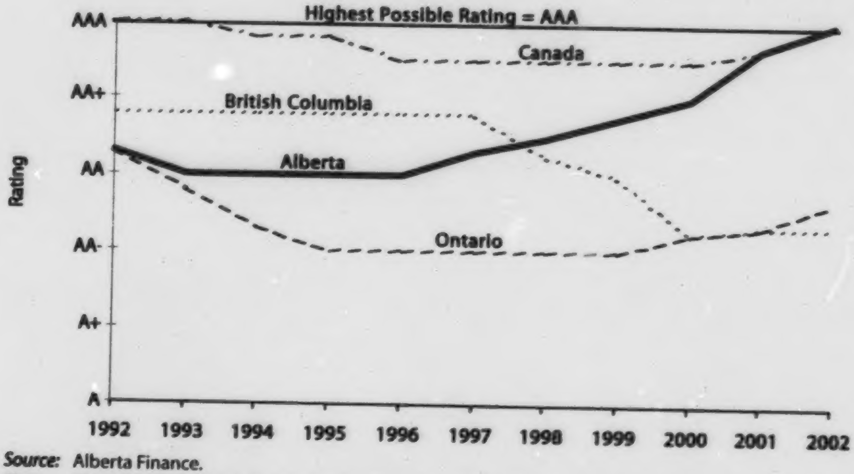
## PROVINCIAL CREDIT RATING

**DESCRIPTION** Alberta's blended credit rating for domestic debt relative to the other provinces.

**TARGET** The highest blended credit rating for domestic debt among the provinces.

**RESULTS** Alberta's blended credit rating as of March 31, 2002 for domestic debt was triple A, the highest among the provinces.

**ALBERTA'S BLENDED CREDIT RATING FOR DOMESTIC DEBT AT FISCAL YEAR END MARCH 31***



*Source:* Alberta Finance.
*Note:* The blended credit rating is an average of the credit ratings issued by the following credit rating agencies: Standard and Poor's Rating Services, Moody's Investors Service Limited and Dominion Bond Rating Service.
* Includes Canada's upgrade to triple A by Moody's Investors Service Limited in May 2002.

**DISCUSSION** A credit rating is an independent credit rating agency's assessment of the future ability of an organization to repay its long-term debt, and a method of comparing the quality of different bond issues. Alberta's domestic debt credit rating was upgraded to triple A (the highest rating) by Standard and Poor's Rating Services, Moody's Investors Service Limited and Dominion Bond Rating Service in 2001. Alberta is the only province with the highest rating by all three major rating agencies.

Alberta's high triple A blended credit rating reflects the rating agencies' positive assessment of the province's fiscal, economic and political environment. Alberta's top credit rating means that Alberta can borrow money at a lower cost than any other province, reducing the province's debt servicing costs. Alberta's foreign currency debt rating was upgraded to triple A by Moody's Investors Service Limited in May 2002 following the triple A upgrade for the federal government's domestic and foreign dollar debt by the rating agency.

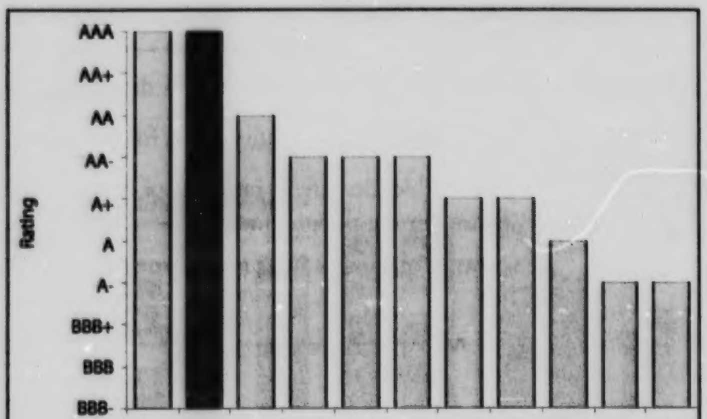
core measure(s)

TAXATION LOAD
**PROVINCIAL CREDIT RATING**
ACCUMULATED DEBT
COST OF GOVERNMENT

**SUPPLEMENTAL INFORMATION**

### Interprovincial Comparison of Domestic Debt Credit Rating (at March 31, 2002)

The chart compares provincial and federal credit ratings for Canadian dollar denominated debt by Standard and Poor's, a major credit rating agency. Alberta is the only province to have the highest possible credit rating (AAA).



*Source:* Standard and Poor's Rating Services.

## goal 12 Alberta will have a financially stable, open and accountable government

core measure(s)

TAXATION LOAD
PROVINCIAL CREDIT RATING
**ACCUMULATED DEBT**
COST OF GOVERNMENT

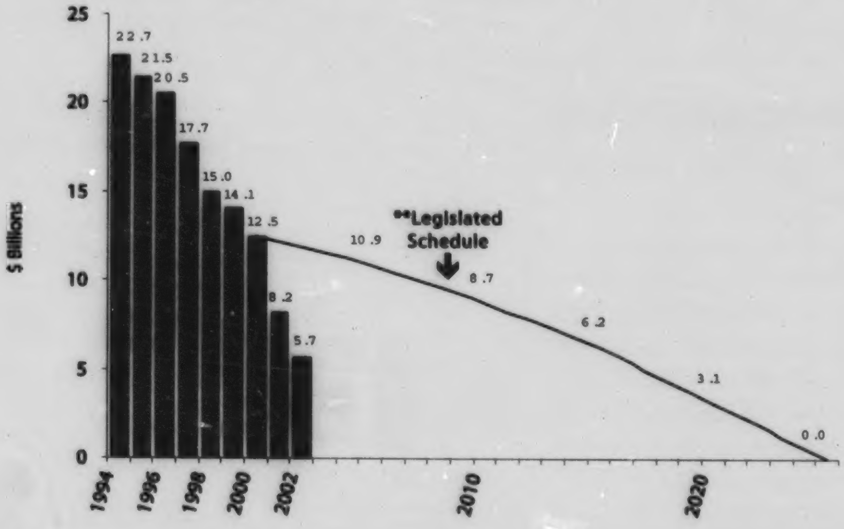
### ACCUMULATED DEBT

**DESCRIPTION** Alberta's accumulated debt, which is the sum of the outstanding consolidated debt of the General Revenue Fund, the debt of the Alberta Social Housing Corporation (net of borrowings from the General Revenue Fund) and the government's liability for school construction.

**TARGET** Reduce the March 31, 2000 accumulated debt by at least 13% by 2004-05 and eliminate it no later than 2024-25.

**RESULTS** At March 31, 2002 Alberta's accumulated debt less $2.7 billion cash set aside for future debt repayment was $5.7 billion. 55% of the March 31, 2000 accumulated debt has been repaid, exceeding the 2004-05 target of 13% and shortening the debt repayment period by an estimated ten years (2014-15).

**ALBERTA'S ACCUMULATED DEBT AT FISCAL YEAR END MARCH 31***



*Source:* Government of Alberta, Consolidated Financial Statements for the year ended March 31, 2002.
* Less $2.7 billion cash set aside for future debt repayment in 2001-02 ($2.1 billion in 2000-01).
** Accumulated Debt Elimination Schedule of the *Fiscal Responsibility Act* (5 year milestones).

## goal 12 Alberta will have a financially stable, open and accountable government

core measure(s)

TAXATION LOAD
PROVINCIAL CREDIT RATING
**ACCUMULATED DEBT**
COST OF GOVERNMENT

**DISCUSSION**

Debt is an indicator of the financial strength and long-term stability of the province. A high amount of debt burdens future generations of Albertans with debt servicing costs and debt repayment obligations.

As of March 31, 2002 Alberta's accumulated debt less $2.7 billion cash set aside for future debt repayment was $5.7 billion, down from $8.2 billion last year. In addition, the government has committed a further $414 million to debt repayment as a result of the higher than expected 2001-02 year-end economic cushion. This amount will be transferred in 2002-03 from other financial assets and will bring accumulated debt less cash set aside for future debt repayment to $5.3 billion.

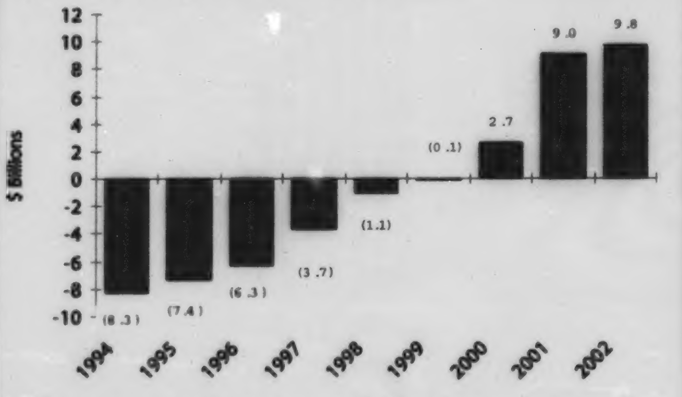
The *Fiscal Responsibility Act* sets out the government's minimum required schedule to repay the $12.5 billion of accumulated debt remaining as of March 31, 2000 over a maximum of 25 years. The legislation includes five-year milestones for repayment of the accumulated debt. Accelerated debt repayment over the last two years has shortened the repayment period by an estimated 10 years (2014-15).

Alberta is the only province in a net asset position at $9.8 billion (6.5% of GDP). Alberta's debt servicing costs decreased by $206 million to 3.5% of total provincial revenue in 2001-02.

**SUPPLEMENTAL INFORMATION**

**Alberta's Net Assets (Net Debt)** (at fiscal year end March 31)

The province's net asset (net debt) position is the difference between its financial assets and total liabilities, excluding pension obligations. The province's legislated plan was to eliminate net debt by 2009-10 *(Balanced Budget and Debt Retirement Act)*. Alberta's net debt was eliminated in the 1999-00 fiscal year.



**Source:** Government of Alberta, Consolidated Financial Statements for the year ended March 31, 2002.

## goal 12 Alberta will have a financially stable, open and accountable government

core measure(s)

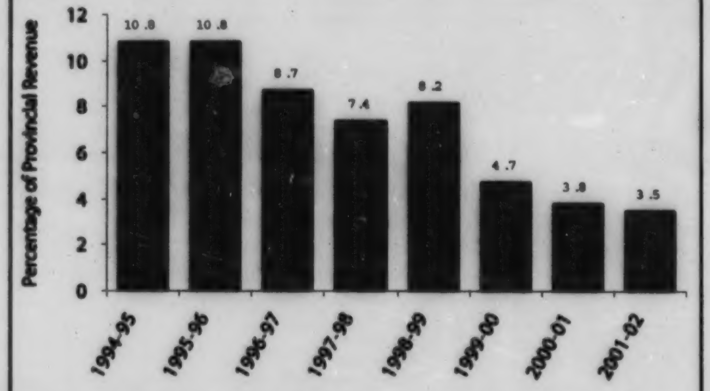
TAXATION LOAD
PROVINCIAL CREDIT RATING
**ACCUMULATED DEBT**
COST OF GOVERNMENT

**SUPPLEMENTAL INFORMATION**

## Canadian Institute of Chartered Accountants' Indicators of Government Financial Condition

### Alberta Debt Servicing Costs

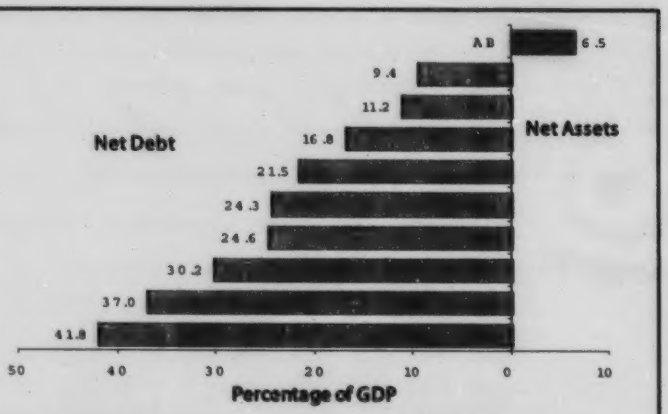
This chart shows Alberta's debt servicing costs as a percentage of provincial revenue.



*Source:* Government of Alberta, Consolidated Financial Statements for the year ended March 31, 2002.

### Provinces' Net Debt (Net Assets) as a Percentage of GDP (at March 31, 2002)

This chart shows each province's net debt as a percentage of its GDP. Alberta is the only province in a net asset position at 6.5% of GDP ($9.8 billion).



*Source:* Alberta Finance, Alberta Economic Accounts 2000; Statistics Canada, Provincial Economic Accounts 2001; Provinces' Public Accounts, Budgets and Quarterly Reports where available.

*Note:* Figures are Alberta Finance projections based on the latest available provincial data.

## goal 12 Alberta will have a financially stable, open and accountable government

core measure(s)

TAXATION LOAD
PROVINCIAL CREDIT RATING
ACCUMULATED DEBT
**COST OF GOVERNMENT**

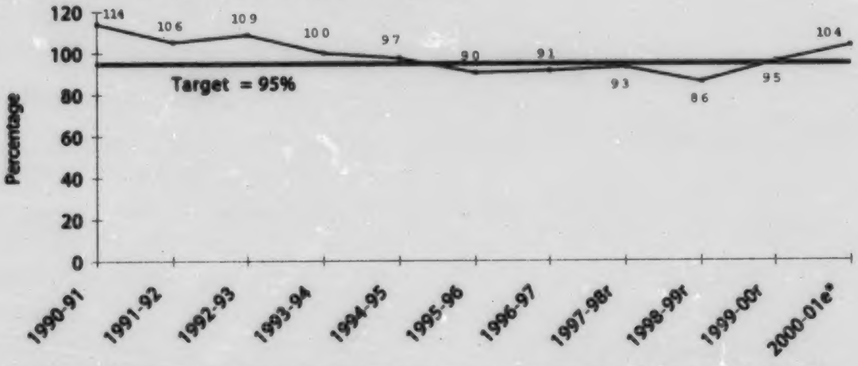
### COST OF GOVERNMENT

**DESCRIPTION** Alberta government expenditures per capita as a percentage of the nine other provinces.

**TARGET** Remain 5% below the average per capita government expenditure of the nine other provinces.

**RESULTS** In 2000-01, Alberta government per capita expenditure increased to 104% of the average per capita expenditure of the nine other provinces, missing the target to remain 5% below the nine-province average.

**ALBERTA GOVERNMENT EXPENDITURE PER CAPITA**
(AS A PERCENTAGE OF THE NINE OTHER PROVINCES)



Source: Statistics Canada, Public Institutions Division, Financial Management Statistics; Alberta Finance.
r = revised e = estimate
* Does not include power auction proceeds administered by the Alberta Power Pool Council. See Appendix I.

**DISCUSSION** The level of government expenditures is an indicator of the fiscal responsibility of the province. This measure compares the Alberta government's per capita expenditure with the average of the nine other provinces.

In 2000-01, Alberta was 4% above the nine-province average, off target to remain 5% below the average of the nine other provinces. Alberta's per capita spending in 2000-01 increased faster than the average of the nine other provinces in most categories including health, education and social services. The largest spending increase was due to Alberta's energy cost shielding program. However, Alberta's provincial government expenditure as a percentage of GDP was the lowest among the provinces (see supplemental information).

Alberta had the 2nd lowest number of provincial public sector employees per capita among the provinces, next to Ontario. The province's health and social services institutions, and school boards employ the largest proportions of provincial public sector employees (see supplemental information).

## goal 12 Alberta will have a financially stable, open and accountable government

core measure(s)

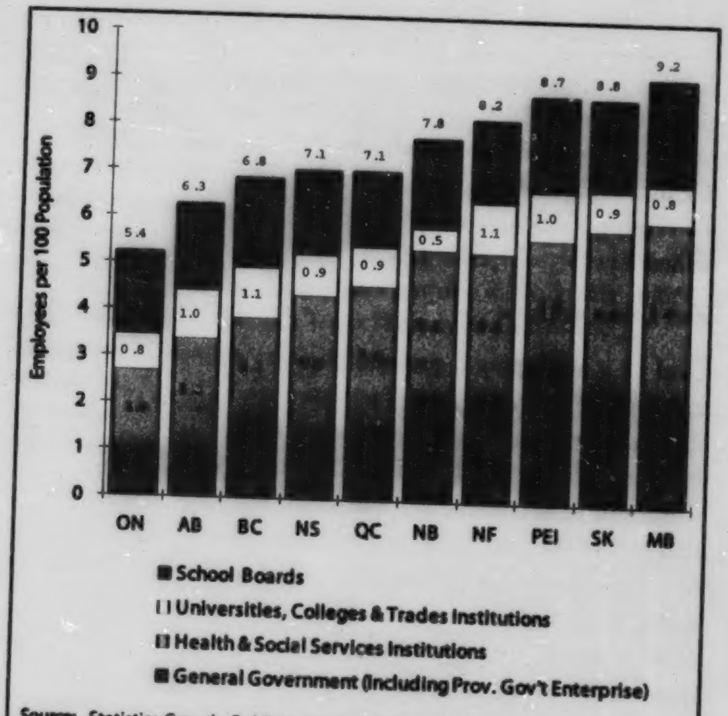
TAXATION LOAD
PROVINCIAL CREDIT RATING
ACCUMULATED DEBT
**COST OF GOVERNMENT**

**SUPPLEMENTAL INFORMATION**

### Provincial Public Sector Employees (2001)

This chart compares the provinces' public sector employees per 100 population by major employment group for 2001.

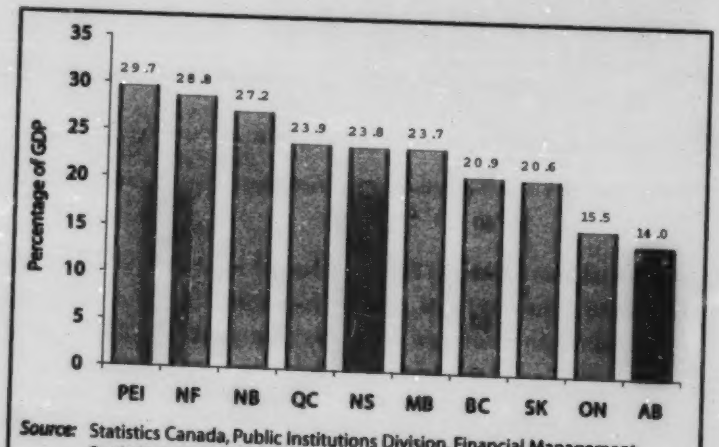
Alberta is 2nd lowest among the provinces overall, and lowest for general government employees (1.0 per 100 population), slightly below 2nd lowest Ontario (1.1).



*Source:* Statistics Canada, Public Institutions Division; Alberta Finance.

### Provincial Government Expenditure (2000-01)

This chart compares provincial government expenditure as a percentage of GDP for the 2000-01 fiscal year.



*Source:* Statistics Canada, Public Institutions Division, Financial Management Statistics; Statistics Canada, Provincial Economic Accounts 2001; Alberta Finance.

## NEW CORE MEASURE FOR NEXT YEAR

# Government Accountability

In next year's report, three core measures will be presented for goal 12. Two of the current four core measures will be retained, namely Provincial Credit Rating and Accumulated Debt, and a new Government Accountability core measure will be added.

### WHY A NEW MEASURE

Goal 12 is a compound goal with 2 parts - to have both a *financially stable government* and a *financially open and accountable government.* Provincial Credit Rating and Accumulated Debt will continue as core measures to report on the first part of the goal. Alberta's credit rating is a broad measure of the province's financial stability, and accumulated debt reduction is an indicator of the government's commitment to fiscal responsibility and long-term financial stability.

The new Government Accountability core measure will address the *financially open and accountable government* part of the goal.

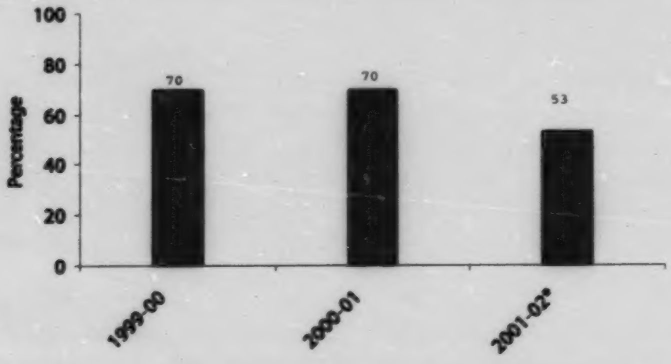
### NEW MEASURE

The *Government Accountability Act* is the government's legislated commitment to open and accountable government. One of the Act's requirements is for the government to report quarterly to Albertans on progress in achieving the current year's fiscal plan.

The new Government Accountability core measure shows the percentage of Albertans aware of the government's financial performance in the past year. It was introduced in the *2002-05 Government of Alberta Business Plan.*

Results for 2001-02 are much different than for previous years. This may be due to the fact that the survey was conducted at a different time of year.

**PUBLIC AWARENESS OF GOVERNMENT FINANCIAL PERFORMANCE**



**Source:** Survey conducted for Alberta Public Affairs Bureau by Environics West.
* Results for 2001-02 may have been affected by the timing of the survey.

## goal 13 Alberta will have a fair and safe work environment

core measure(s) WORKPLACE CLIMATE

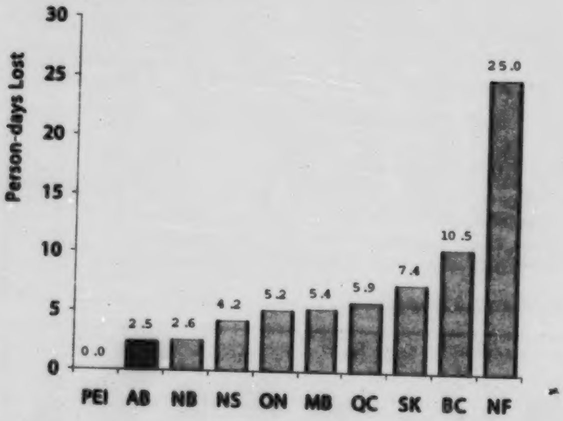
### WORKPLACE CLIMATE

**DESCRIPTION** Alberta's provincial ranking of the number of person-days lost due to work stoppages and due to workplace injury and disease, per 10,000 person-days worked.

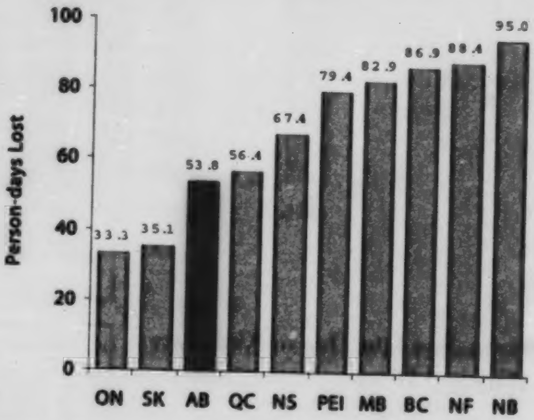
**TARGET** The rate of person-days lost to work stoppages, and workplace injury and disease will be among the three lowest of all the provinces.

**RESULTS** Among the provinces, Alberta had the 2nd lowest rate of person-days lost due to work stoppages in 2001, and the 3rd lowest rate of person-days lost due to workplace injury and disease in 1999. Results for 2000 unavailable from Human Resources and Development Canada at time of publication.

**PROVINCIAL RANKING OF PERSON-DAYS LOST DUE TO WORK STOPPAGES IN 2001** (PER 10,000 PERSON-DAYS WORKED)



**PROVINCIAL RANKING OF PERSON-DAYS LOST DUE TO WORKPLACE INJURY AND DISEASE IN 1999** (PER 10,000 PERSON-DAYS WORKED)*



Source: Human Resources Development Canada; Statistics Canada, Labour Force Survey; Statistics Canada, Public Institutions Division, Public Sector Employment, Wages and Salaries (CANSIM, Table #183-0002).

* Data for Quebec, Newfoundland and Manitoba are based on preliminary estimates subject to verification by Human Resources Development Canada.

**DISCUSSION** Safe and healthy workplaces and cooperative labour relations are important factors for providing Albertans with a fair and safe work environment. In a growing economy, the number of less-experienced workers tends to increase as the workforce expands, resulting in more lost-time claims.

Proactive actions, such as partnerships among business, labour and government, and improved access to information about workplace health and safety standards, help to protect the work environment as economic activity increases and employment climbs.

*For more information, see the core measures methodology and related ministry measures in Appendices I and III.*

# goal 13 Alberta will have a fair and safe work environment

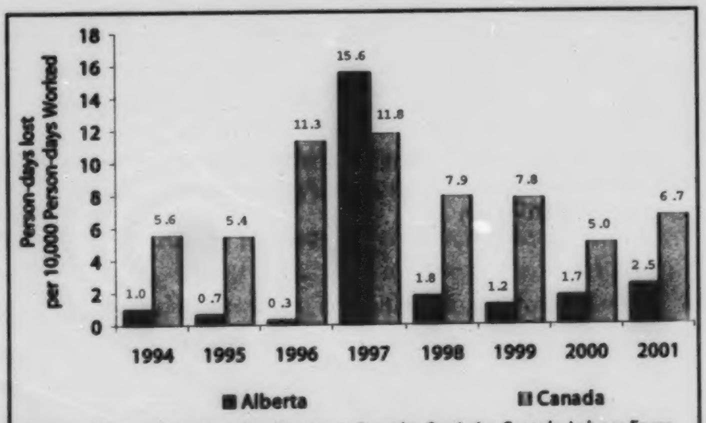
core measure(s) **WORKPLACE CLIMATE**

In 2001, the incidence of person-days lost due to work stoppages increased by 0.8 person-days per 10,000 person-days worked. Alberta ranked 2nd lowest among the provinces, up from 4th from last year. Workplace injury and disease decreased in 2001 by 1.2 person-days per 10,000 person-days worked (see supplemental information). The most recent interprovincial data for person-days lost due to workplace injury and disease shows that Alberta was 3rd lowest among the provinces in 1999.

**SUPPLEMENTAL INFORMATION**

## Person-days Lost Due to Work Stoppages

This chart compares the rate of person-days lost due to work stoppages in Alberta and Canada.

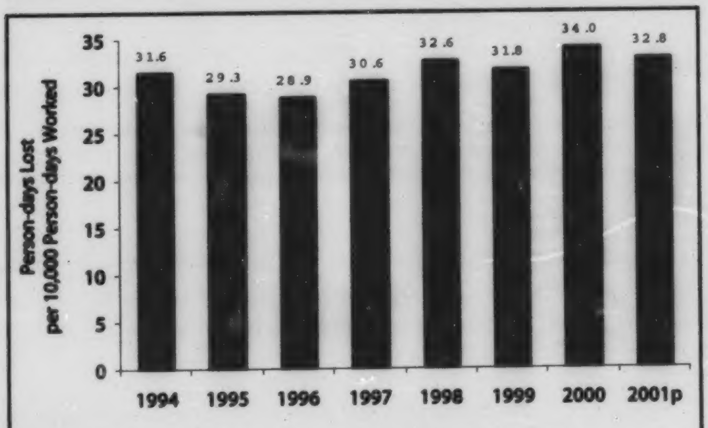


*Source:* Human Resources Development Canada; Statistics Canada, Labour Force Survey; Statistics Canada, Public Institutions Division, Public Sector Employment, Wages and Salaries (CANSIM, Table #183-0002).

*Note:* 1997 Alberta data reflects the effect of the Canada Safeway strike.

## Person-days Lost Due to Workplace Injury and Disease

This chart shows Alberta's recent history of the rate of person-days lost due to workplace injury and disease. (The rate presented for 2001 differs from Alberta's rate presented on the previous page due to different data sources and methodologies, see Appendix I.)



*Source:* Alberta Human Resources and Employment; Alberta Workers' Compensation Board; Statistics Canada, Labour Force Survey; Statistics Canada, Public Institutions Division, Public Sector Employment, Wages and Salaries (CANSIM, table #183-0002).

p = preliminary

# goal 14 Alberta businesses will increase exports

core measure(s) EXPORT TRADE

New

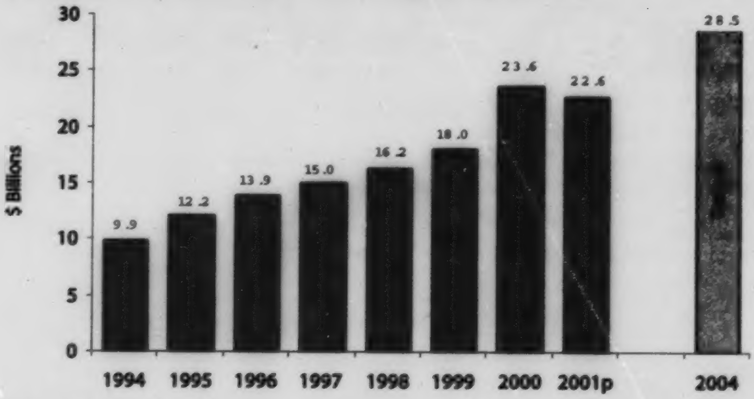
## EXPORT TRADE

**DESCRIPTION** Alberta's international value-added exports, measured in current dollars. This includes manufactured goods, tourism and other services.

**TARGET** Increase international value-added exports to $28.5 billion by the year 2004.

**RESULTS** In 2001, Alberta's international value-added exports decreased by 4.2% to $22.6 billion.

**ALBERTA'S INTERNATIONAL VALUE-ADDED EXPORTS**



*Source:* Alberta Economic Development (derived from Statistics Canada data).
p = preliminary
*Note:* Results revised for previous years. See Appendix I.

**DISCUSSION** Exports are a vital part of Alberta's economy and expanding the province's international value-added exports is important for sustaining Alberta's economic growth in a globally competitive marketplace. The government's Economic Development Strategy, one of four priority cross-ministry initiatives for 2001-02 (see Appendices II and IV), includes strategies and targets for expanding value-added products and services as a proportion of Alberta's overall economy and exports (also see Goal 10 of this report).

The value of Alberta's international value-added exports decreased in 2001 as a result of the global slump in the information and technology sector. An overall drop in world trade due to a global slowdown, particularly in the U.S., also dampened exports. Declining forest product prices, especially wood pulp, reduced the value of value-added exports abroad. The September 11, 2001 terrorist attacks on the U.S. had a negative effect on Alberta's tourism industry. These negative effects were somewhat offset by strong export volumes of oil and gas field equipment, beef and selected chemicals. Since 1993, exports have grown steadily for petrochemicals, processed food and machinery (especially oil and gas field equipment).

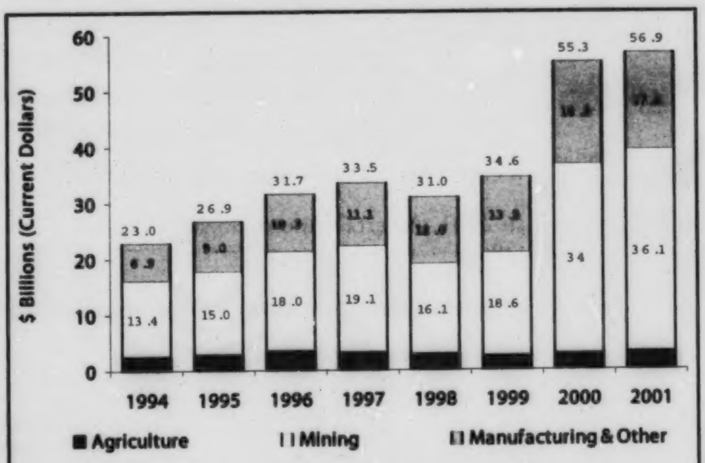
*For more information, see the core measures methodology and related ministry measures in Appendices I and III.*

## SUPPLEMENTAL INFORMATION

### Total Value of Alberta's International Commodity Exports

This chart shows Alberta's total international commodity exports measured in current dollars by major industry groups.

Total commodity exports rose by 2.8% in 2001. Strong oil and gas prices in the first half of 2001 were partly behind the increase. Primary agriculture exports, especially live cattle, were also strong. Manufacturing exports fell because of weak forest product prices and the global slump in the telecommunications sector.



*Source:* Alberta Economic Development (derived from Statistics Canada data).

core business

# *Preservation...*

The goals for the ***Preservation*** core business reflect the government's priorities for community safety, our renewable resources, the environment, our natural, historical and cultural resources, and Alberta's relations with other levels of government.

# Preservation

## Preserving the Alberta tradition of:

- a safe society where justice prevails
- a clean environment
- strong values and culture
- pride in Alberta and strength within Canada
- strong communities.

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### PERFORMANCE SUMMARY

There are five government goals for the *Preservation* core business and seven performance measures. The following summarizes the 2001-02 performance results for the *Preservation* measures. Where 2001-02 data is not available for a measure, the most recent reliable data is reported.

***Goal 15 - Alberta will be a safe place to live and raise families.***

**Crime Rate** - Between 1999 and 2000 both the gap between the Canadian and Alberta violent crime rate and the gap between the Canadian and Alberta property crime rate decreased by 3%. Alberta's property and violent crime rates remain above the target Canadian rates. Alberta's violent crime rate was 8% higher than the Canadian rate, while property crime was 9% above the Canadian level.

***Goal 16 - Alberta's renewable natural resources will be sustained.***

**Resource Sustainability** - In 2000-01, Alberta's timber harvest remained below the annual allowable cut. However, agricultural land productivity fell in 2001 by .09 tonnes per acre to 0.77 tonnes per acre, below the target of 0.92 tonnes per acre by 2004.

***Goal 17 - The high quality of Alberta's environment will be maintained.***

**Air Quality** - Alberta's air quality was rated either good or fair each day in 2001, with 357 days rated good, and 8 days rated fair.

**Water Quality** - Significant improvements have been made to water quality through improved control of discharges into rivers and upgrades to water treatment plants. Also, dry conditions in 2000-01 resulted in less surface runoff and therefore less movement of materials from land to water. Water quality is still poorer downstream from areas of municipal, agricultural, or industrial development than upstream. Runoff, a "non-point" or diffuse source of pollution, is a concern.

**Land Quality** - Land productivity fell in 2001 by .09 tonnes per acre to 0.77 tonnes per acre, below the target of 0.92 tonnes per acre by 2004.

***Goal 18 - Albertans will have the opportunity to enjoy the province's natural, historical and cultural resources.***

**Heritage Appreciation** - Visitation at provincially-owned historic sites, museums and interpretive centres was 1,021,000 in 2001-02, below the target of 1.1 million visitors per year. Visitation at provincial parks and recreation areas was 8,730,000 in 2000-01, surpassing the target of 8 million visitors per year.

***Goal 19 - Alberta will work with other governments and maintain its strong position in Canada.***

**Intergovernmental Relations** - In 2001, Alberta's approval rating was 26 percentage points above the four province average, up from 2000 and bettering the target. The key reason for the increase was a strong improvement in the ratings of Alberta, while the average of the four province's stayed fairly constant..

# goal 15 Alberta will be a safe place to live and raise families

core measure(s) CRIME RATE

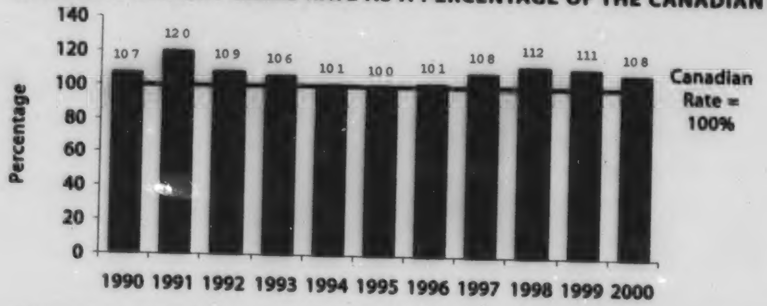
## CRIME RATE

**DESCRIPTION** Alberta's violent and property crime rates expressed as a percentage of the national rates.

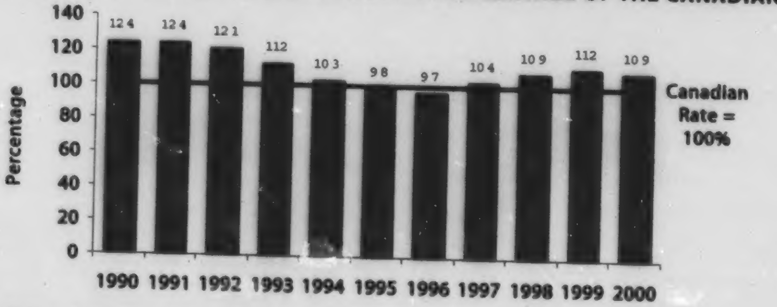
**TARGET** Reduce Alberta's crime rates below the national rate by the year 2005.

**RESULTS** In 2000, Alberta's violent crime rate was 8% higher than the Canadian rate, a decrease of 3% as a result of the Canadian rate increasing more than Alberta's. Our property crime rate was 9% above the Canadian rate. This is a decrease of 3% as a result of Alberta's rate decreasing more than Canada's.

ALBERTA'S VIOLENT CRIME RATE AS A PERCENTAGE OF THE CANADIAN RATE



ALBERTA'S PROPERTY CRIME RATE AS A PERCENTAGE OF THE CANADIAN RATE



*Source:* Canadian Crime Statistics, 2000, Canadian Centre for Justice Statistics.

**DISCUSSION** Although provincial property and violent crime have been steadily decreasing over the long-term, and Alberta has the lowest crime rate of the four western provinces, our provincial crime rate remains above the national rate. Despite the fact that Alberta's total crime rate decreased from 9,049 to 8,822 or 2.5% in 2000, 32% of Albertans feel that crime in their neighbourhood has increased somewhat or substantially over the last several years. However, 59% of Albertans feel that their neighbourhood has a lower level of crime than other neighbourhoods in Alberta.

*For more information, see the core measures methodology and related ministry measures in Appendices I and III.*

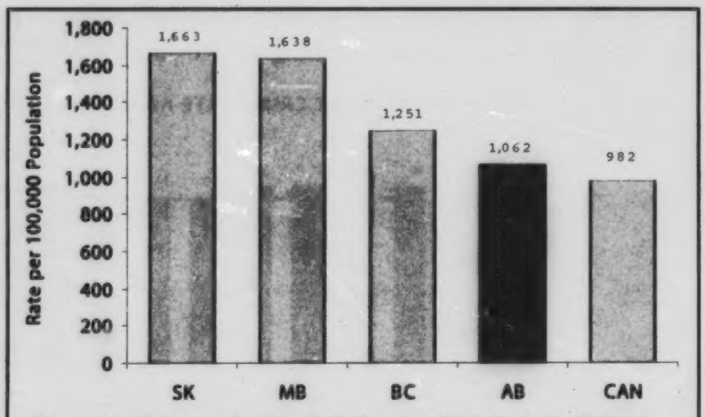
**SUPPLEMENTAL INFORMATION**

### Canadian Crime Rates by Province (Rates per 100,000 Population)

Crime rates traditionally have been higher in western Canadian provinces such as Alberta. The higher crime rate may be due in part to a younger, more mobile population and a higher proportion of aboriginal people living in western Canada (population groups who are over-represented both as offenders and as victims of crime). Policing practices and administrative approaches to crime are also influential in crime rates and vary greatly by province and territory.

### Violent Crime (2000)

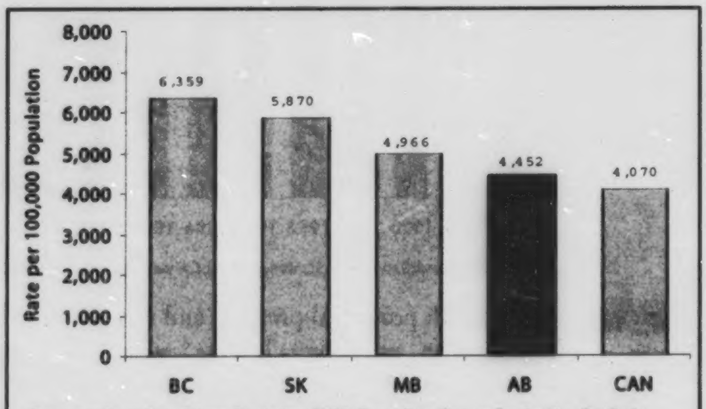
Violent incidents involve offences that deal with the application, or threat of application, of force to a person. These include homicide, attempted murder, various forms of sexual and non-sexual assault, robbery and abduction. The violent crime rate remained roughly constant in 2000.



*Source:* Canadian Crime Statistics, 2000, Canadian Centre for Justice Statistics.

### Property Crime (2000)

Property incidents involve unlawful acts with the intent of gaining property but do not involve the use or threat of violence against an individual. Theft, breaking and entering, fraud and possession of stolen goods are examples of property crimes. The property crime rate fell to 4,452 incidents per 100,000 population, a decrease of 6.9%.



*Source:* Canadian Crime Statistics, 2000, Canadian Centre for Justice Statistics.

## goal 15 Alberta will be a safe place to live and raise families

core measure(s) **CRIME RATE**

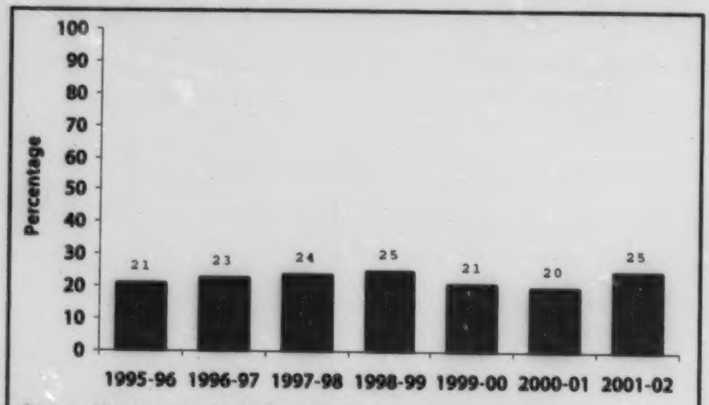
**SUPPLEMENTAL INFORMATION**

### Victimization Survey

Victimization surveys are valuable in estimating the actual level of crime, as they estimate the extent of unreported crime. These surveys ask the population about their personal crime experiences. They capture information on crimes that have been reported to the police, as well as those that have gone unreported. Victimization surveys are limited in that they rely on respondents to report events accurately. The surveys by their nature exclude the collection of information on homicide, "victimless" crimes (prostitution, drugs, and gambling), crimes committed against commercial or public property, and crimes committed against children.

### Victimization Rate

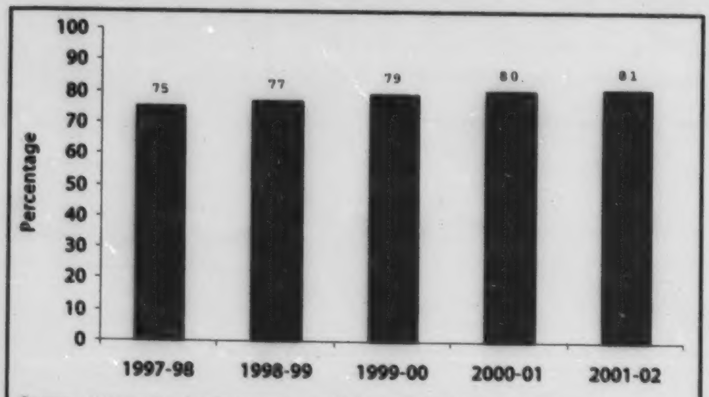
In Alberta, 25% of respondents age 18 and over indicated that they had been victimized in the past year. This compares to the 1999 national figure of 25% of Canadians age 15 and over surveyed for the General Social Survey. The difference in the victimization rate between 2000-01 and 2001-02 is attributable to a higher percentage of young adults participating in the 2001-02 survey (see note on graph), a group that is much more likely to be victims of crime.



**Source:** Alberta Justice/Solicitor General, Survey of Albertans, 2002.
**Note:** The 2001-02 survey used a different sampling methodology than previous years. In the 2001-02 survey, quotas were set to ensure that the final sample of adult Albertans was representative by age, gender and geographic region. Quotas were not set for age in previous surveys, resulting in young adults being under represented.

### Public Perception of Safety in the Neighbourhood

On the whole, Albertans feel very safe in their neighbourhoods. This chart shows the percentage of Albertans who feel comfortable walking alone in their neighbourhoods at night. Lower comfort levels were experienced by divorced, separated or widowed repondents, respondents living in households earning less than $30,000 per year, senior citizens, females and those with less than high school education.



**Source:** Alberta Justice/Solicitor General, Survey of Albertans, 2002.

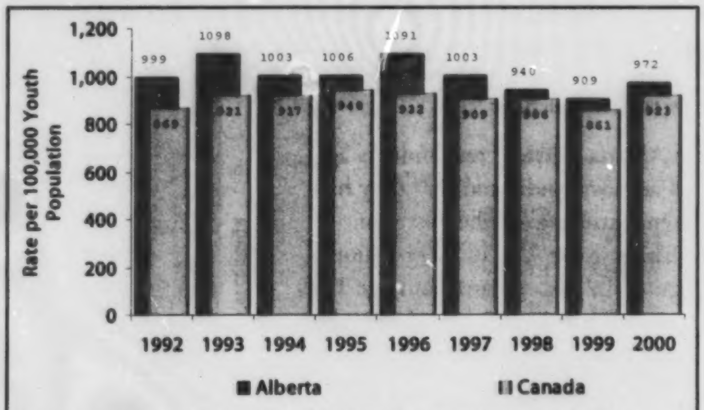
**SUPPLEMENTAL INFORMATION**

## Youth Crime

Providing effective treatment and rehabilitation of young offenders, and ensuring the safety of Alberta's communities are primary objectives of the youth justice system. The *Youth Criminal Justice Act* treats young offenders committing serious violent crimes more severely than the *Young Offenders Act* while making provisions to keep first-time offenders of less serious crimes out of the formal justice system.

### Youth Violent Crime Rate

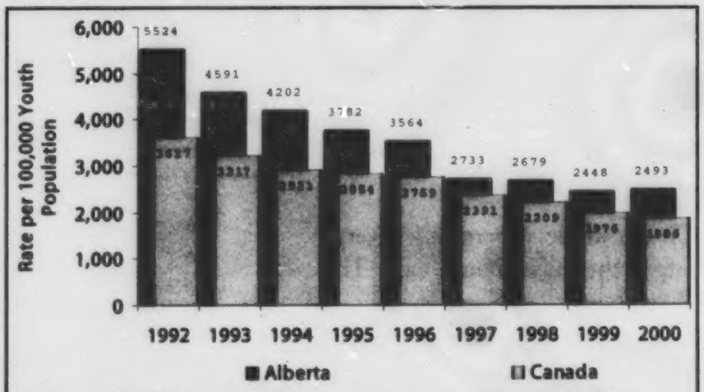
Violent crime by Alberta youth increased 6.9% in 2000. Violent youth crime increased in 9 of the 13 jurisdictions in Canada.



Source: Canadian Crime Statistics, 2000, Canadian Centre for Justice Statistics.

### Youth Property Crime Rate

In 2000, property crime by Alberta youth increased 1.8% while the national rate decreased 4.6%. Ontario, Saskatchewan and the Yukon also experienced increases in their youth property crime rates.



Source: Canadian Crime Statistics, 2000, Canadian Centre for Justice Statistics.

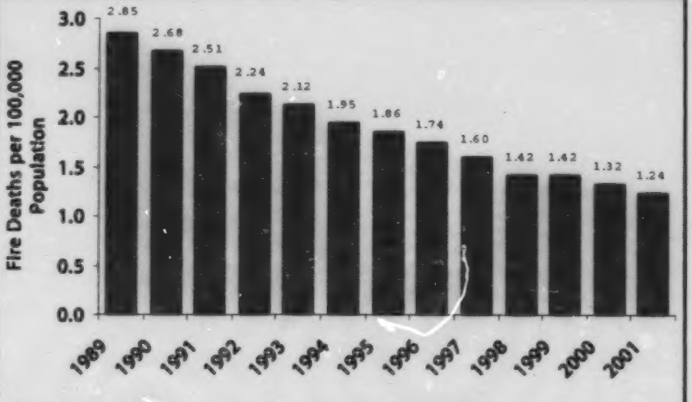
goal **15** Alberta will be a safe place to live and raise families

core measure(s) **CRIME RATE**

**SUPPLEMENTAL INFORMATION**

## Fire Deaths

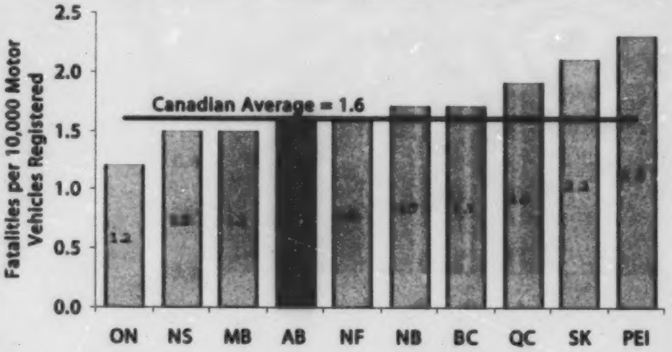
The Alberta government promotes all aspects of fire protection to reduce deaths, injuries and property losses due to fire in Alberta. In addition to enacting fire prevention legislation and enforcing the fire code, fire prevention is promoted through advisory services, the use of fire statistics and public fire safety education and information programs.



***Source:*** Fire Commissioner's Office, Alberta Municipal Affairs.
***Note:*** Data is calculated as a ten-year rolling average.
Data in the 2000-01 *Measuring Up* report was calculated as a three-year rolling average.

## Road Safety

Most fatal collisions are caused by either driver error, excess speed, or poor driver condition. The Alberta government works to improve road safety through education, legislative initiatives, and enforcement.



***Source:*** Transport Canada, Canadian Motor Vehicle Traffic Collision Statistics, 2000.

# goal 16 Alberta's renewable natural resources will be sustained

core measure(s) RENEWABLE RESOURCE SUSTAINABILITY

## RENEWABLE RESOURCE SUSTAINABILITY

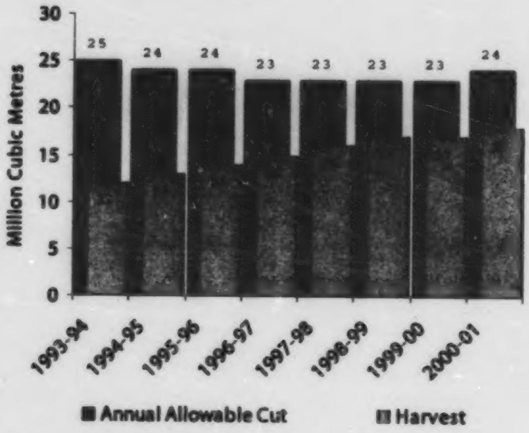
**DESCRIPTION** Timber sustainability compares the annual timber harvest with the long-term sustainable annual allowable cut.

Land quality measures the annual provincial crop yield per acre converted to a standard base of tonnes per acre of wheat.

**TARGET** Keep timber harvest at or below the annual allowable cut. Achieve sustainable crop yields of 0.92 tonnes per acre by 2004.

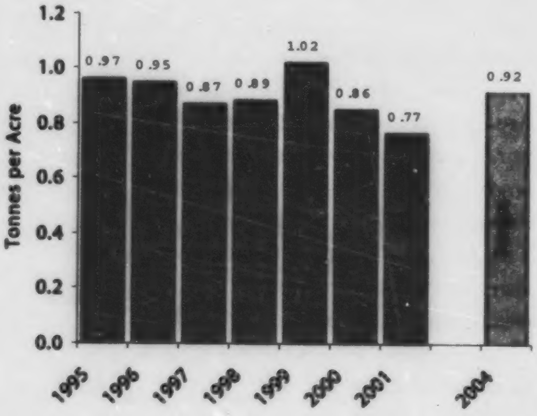
**RESULTS** Alberta's timber harvest remained below the annual allowable cut and farm crop yield per acre decreased to 0.77 tonnes per acre.

**TIMBER SUSTAINABILITY**



*Source:* Alberta Sustainable Resource Development.
*Note:* Data is calculated as a five-year rolling average.

**LAND PRODUCTIVITY**



*Source:* Alberta Agriculture, Food and Rural Development. Data derived from Statistics Canada.

*For more information, see the core measures methodology and related ministry measures in Appendices I and III.*

## goal 16 Alberta's renewable natural resources will be sustained

core measure(s) **RENEWABLE RESOURCE SUSTAINABILITY**

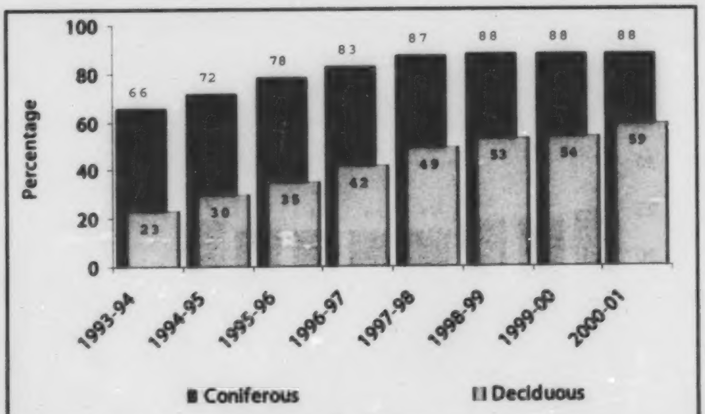
**DISCUSSION**

Alberta's renewable resources make a significant contribution to our economy. Ensuring the long term sustainability of these resources (forests and agricultural lands) will help ensure long term prosperity for the province. The forestry index indicates the general health of the resource and reflects the government's ability to manage Alberta's timber resources in a sustainable manner. Other factors that can affect the annual allowable cut and the volume harvested include variations in timber prices, changes to reserved areas, forest regeneration success, insects and disease, and forest fires. The land productivity index continued to fall in 2001 after an above-average year in 1999, owing to continuing dry conditions in much of southern and central Alberta.

**SUPPLEMENTAL INFORMATION**

### Timber Harvest as a Percentage of the Annual Allowable Cut

This chart indicates the annual timber harvest of coniferous and deciduous timber as a percentage of the annual allowable cut (AAC) within the Green Area. The Green Area is primarily the unsettled portion of the province defined as lands not available for agricultural development other than grazing. The AAC is the amount of timber that can be harvested on a sustainable basis within a defined planning area. The AAC is adjusted to reflect changes in timber supply availability and forest management strategies. This measure is calculated to demonstrate a rolling five-year average consistent with forest harvest practices in Alberta.



*Source:* Alberta Sustainable Resource Development.
*Note:* Data is calculated as a five-year rolling average. The coniferous harvest is expressed as a percentage of the coniferous AAC and the deciduous harvest is expressed as a percentage of the deciduous AAC. Therefore, the stated percentages in the chart are not additive.

goal

# 17 The high quality of Alberta's environment will be maintained

core measure(s)

AIR QUALITY
WATER QUALITY
LAND QUALITY

## AIR QUALITY

**DESCRIPTION** Index of outdoor concentrations of five major air pollutants monitored at nine stations across the province.

**TARGET** Maintain air quality at levels that are considered "good" or "fair" at all times.

**RESULTS** There were no days rated "poor" or "very poor" last year.

**AIR QUALITY DAYS**

| | Good | Fair | Poor | Very Poor |
|---|---|---|---|---|
| 1987 | 350 | 15 | 0 | 0 |
| 1988 | 355 | 11 | 0 | 0 |
| 1989 | 356 | 9 | 0 | 0 |
| 1990 | 354 | 11 | 0 | 0 |
| 1991 | 352 | 13 | 0 | 0 |
| 1992 | 361 | 5 | 0 | 0 |
| 1993 | 359 | 6 | 0 | 0 |
| 1994 | 349 | 16 | 0 | 0 |
| 1995 | 358 | 7 | 0 | 0 |
| 1996 | 360 | 6 | 0 | 0 |
| 1997 | 359 | 6 | 0 | 0 |
| 1998 | 354 | 11 | 0 | 0 |
| 1999 | 357 | 8 | 0 | 0 |
| 2000 | 359 | 7 | 0 | 0 |
| 2001 | 357 | 8 | 0 | 0 |

*Source:* Alberta Environment and Wood Buffalo Environment Association.

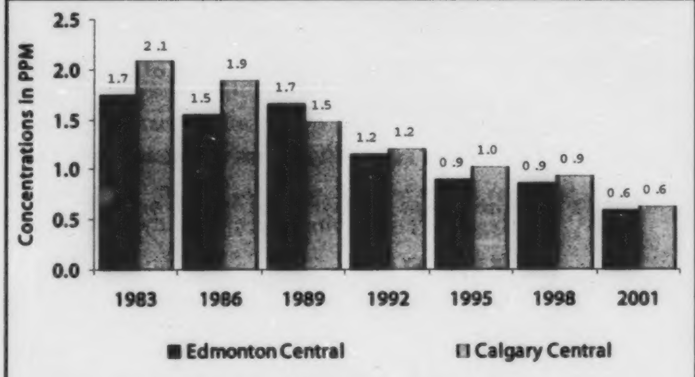
**DISCUSSION** One of Albertans' key concerns about the environment is the quality of air we breathe. Ensuring the protection of Alberta's clean air is paramount to maintaining our health and quality of life (see also **Life Expectancy at Birth**). Poor air quality may also have negative effects on crop quality and production (see also **Land Quality**). The air quality index provides an indication of the quality of air in Alberta throughout the year. Poor air quality levels typically occur only 1-2 hours per year in Calgary and Edmonton. Air quality is influenced by a number of factors including vehicle emissions, weather patterns, and intensity of industrial development.

*For more information, see the core measures methodology and related ministry measures in Appendices I and III.*

**SUPPLEMENTAL INFORMATION**

### Carbon Monoxide Levels

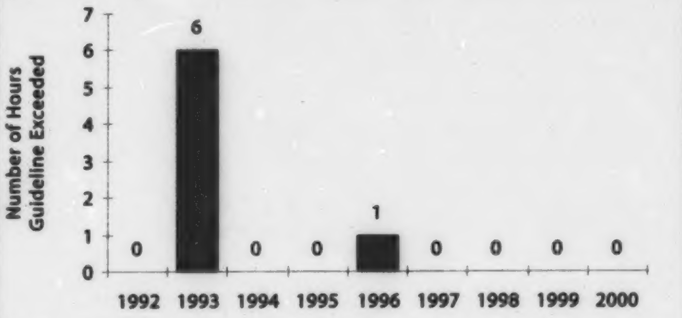
Over the past two decades air quality in downtown Edmonton and Calgary has improved. Since 1983, carbon monoxide levels have decreased by over 65 percent in both cities while nitrogen dioxide, particulates and benzene levels have also dropped. Improvements in environmental building technologies and cleaner transportation are considered major factors to these improvements.



*Source:* Environment Canada and Alberta Environment.

### Nitrogen Dioxide Levels

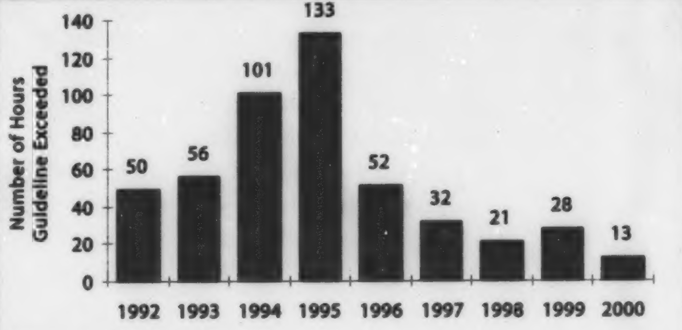
Nitrogen dioxide may be toxic to plants at high concentration levels, and can irritate the lungs and increase susceptibility to respiratory infections. The largest urban source of nitrogen dioxide is motor vehicle emissions.



*Source:* Alberta Environment.
*Note:* Data collected from industry-operated stations throughout the province.

### Sulphur Dioxide Levels

Sulphur dioxide can decrease growth rates of crops and trees, corrode metals and weaken textiles and building materials. It also irritates the throat and lungs and can damage the respiratory system. Most sulphur dioxide emissions are from the energy industry.



*Source:* Alberta Environment.
*Note:* Data collected from industry-operated stations throughout the province.

goal

# 17 The high quality of Alberta's environment will be maintained

core measure(s)

AIR QUALITY
**WATER QUALITY**
LAND QUALITY

## WATER QUALITY

**DESCRIPTION** Index of four variable components (metals, nutrients, bacteria, and pesticides) tested monthly or quarterly at two locations for each of the province's six major river systems.

**TARGET** Bring river quality downstream of developed areas in line with upstream conditions, while maintaining overall river water quality.

**RESULTS** Overall, the water quality of Alberta's major rivers in 2000-01 is "good" to "excellent". Water quality tends to be better upstream of areas of significant urban, industrial or agricultural development than downstream.

**ALBERTA SURFACE WATER QUALITY INDEX**

| LOCATION | 1997-98 | 1998-99 | 1999-00 | 2000-01 | COMMENTS |
|---|---|---|---|---|---|
| **BOW RIVER** | | | | | Water quality is better upstream of Calgary than downstream. Upgraded municipal wastewater treatment, including full disinfection (1997), has resulted in improved conditions downstream. |
| upstream of Calgary | 100 | 97 | 97 | 99 | |
| downstream of Calgary | 87 | 82 | 84 | 89 | |
| **NORTH SASKATCHEWAN RIVER** | | | | | Conditions downstream of Edmonton have improved due to upgraded wastewater treatment (1998), which has reduced the levels of bacteria in the river. |
| upstream of Edmonton | 97 | 93 | 86 | 89 | |
| downstream of Edmonton | 71 | 80 | 81 | 85 | |
| **RED DEER RIVER** | | | | | Water quality is slightly better upstream of Red Deer than downstream. There are higher concentrations of nutrients downstream than there are upstream. |
| upstream of Red Deer | n/a | 83 | 87 | 90 | |
| downstream of Red Deer | n/a | 81 | 75 | 87 | |
| **OLDMAN RIVER** | | | | | Water quality is better upstream of Lethbridge than downstream. There are greater numbers and concentrations of pesticides at the downstream site than the upstream site. |
| upstream of Lethbridge | 83 | 89 | 97 | 95 | |
| downstream of Lethbridge | 84 | 80 | 86 | 91 | |
| **SMOKY/PEACE RIVERS** | | | | | Conditions remain good at both sites, but nutrients occasionally do not meet guidelines. In addition, a number of pesticides were detected in the Peace River at Fort Vermilion this year. |
| at Watino | 83 | 91 | 90 | 93 | |
| at Ft. Vermilion | 89 | 94 | 86 | 93 | |
| **ATHABASCA RIVER** | | | | | Index values have improved slightly at Athabasca, perhaps reflecting decreased runoff due to drier conditions. |
| at Athabasca | 92 | 90 | 91 | 97 | |
| at Old Fort | 90 | 95 | 91 | 94 | |

**Index based on the results of testing water quality for four variable groups compared to water quality guidelines.**

| | |
|---|---|
| 96-100 | Almost always met **(Excellent)** |
| 81-95 | Occasionally not met, but usually by small amounts **(Good)** |
| 66-80 | Sometimes not met by moderate amounts **(Fair)** |
| 46-65 | Often not met, sometimes by large amounts **(Marginal)** |
| 0-45 | Almost always not met by large amounts **(Poor)** |

*Source:* Alberta Environment.
*Note:* n/a - overall scores are not provided as no pesticide data were available.

*For more information, see the core measures methodology and related ministry measures in Appendix I and III.*

## goal 17 The high quality of Alberta's environment will be maintained

core measure(s)

AIR QUALITY
**WATER QUALITY**
LAND QUALITY

**DISCUSSION**

There is minimal threat when water quality is "good" or "fair". "Marginal" or "poor" ratings indicate that water quality is often significantly impaired.

River flow volume, non-point sources of pollution (such as runoff from city streets or agricultural fields), and point sources of pollution (effluent discharged directly into rivers) all influence surface water quality. Improvements have been made to water quality below major developments as a result of improved point source control. Continued improvements are expected as municipal wastewater treatment facilities and infrastructure are upgraded. These improvements will take time and a significant infrastructure investment on the part of municipalities.

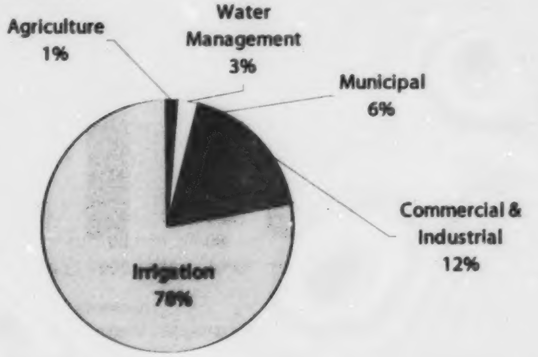
In some cases, the 2000-01 water quality index results for both upstream and downstream sites are better than those for the previous year because of the dry conditions that we experienced. Less rain and snowmelt resulted in less surface runoff and therefore less movement of materials from the land to the water. In higher flow years, lower scores can be expected due to increased movement of materials, whether naturally occurring or as a result of human activity, from the land to the water.

**SUPPLEMENTAL INFORMATION**

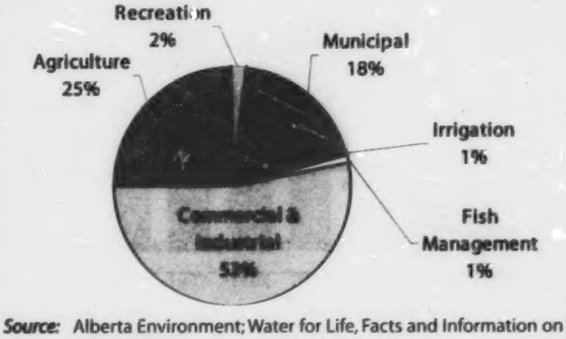
### Alberta's Water Consumption Uses

Of all the consumptive uses of water in Alberta, 97.5% comes from surface water and 2.5% comes from groundwater. The two main surface water users in Alberta are irrigation (78%) and commercial/industrial operations (12%). Municipalities account for 6% of surface water consumption. The three main groundwater users are commercial/ industrial (53%), agricultural operations (25%) and municipalities (18%).

**SURFACE WATER**



**GROUNDWATER**



*Source:* Alberta Environment; Water for Life, Facts and Information on Water in Alberta 2000.

## goal 17 The high quality of Alberta's environment will be maintained

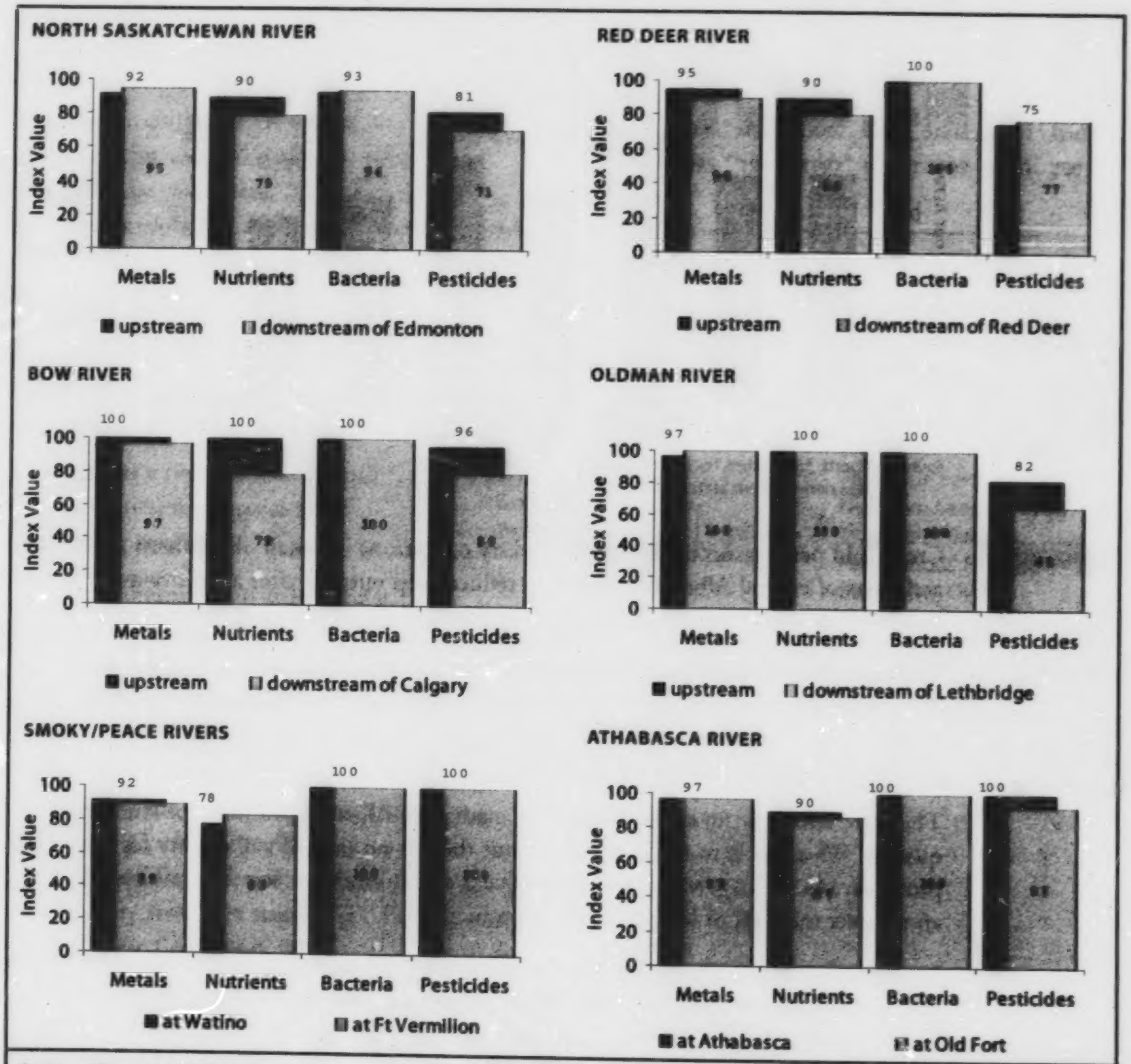
core measure(s)

AIR QUALITY
**WATER QUALITY**
LAND QUALITY

**SUPPLEMENTAL INFORMATION**

### Surface Water Quality Index by Variable Group (2000-01)

The quality of Alberta's water bodies is evaluated by comparing the results of numerous chemical, physical, and biological tests to guidelines listed in Surface Water Guidelines for Use in Alberta (AENV 1999). These guidelines help to determine how suitable the water is for various uses, including recreation, agriculture, and the protection of aquatic life.



*Source:* Alberta Environment.

| Index Value: | | | | | | |
|---|---|---|---|---|---|---|
| 96-100 | Excellent | 66-80 | Fair | 0-45 | Poor |
| 81-95 | Good | 46-65 | Marginal | | |

goal **17**

# The high quality of Alberta's environment will be maintained

core measure(s)

AIR QUALITY
WATER QUALITY
**LAND QUALITY**

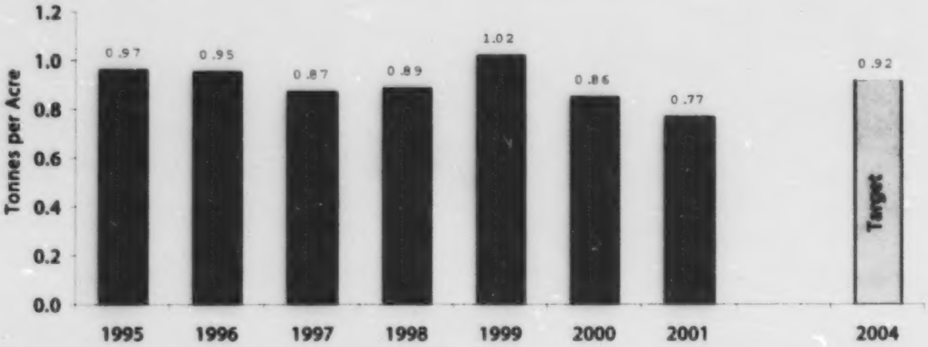
## LAND QUALITY

**DESCRIPTION** Measure of the annual provincial crop yield per acre converted to a standard base of tonnes per acre of wheat.

**TARGET** Achieve sustainable crop yield of 0.92 tonnes per acre by the year 2004.

**RESULTS** Crop yield decreased in 2001 to 0.77 tonnes per acre, below the target of 0.92.

**LAND PRODUCTIVITY**



**Source:** Alberta Agriculture, Food and Rural Development.
Data derived from Statistics Canada.

**DISCUSSION** Crop yield per acre decreased in 2001. Dry conditions in much of southern Alberta and parts of central Alberta continue to reduce crop outputs after an above-average year in 1999.

The quality, health and productivity of Alberta's land base is vital to our health and to our economy. Ensuring that land is used wisely for agriculture, forestry, industrial use, municipal development, recreation and tourism, or other uses is critical to our economic, social and cultural well-being.

There are currently no comprehensive Canadian or Alberta indicators for land or soil quality. We are able to test soil quality, but there is no map of soil quality for the province. As a proxy, we are using crop yield on a tonnes per acre basis. Crop yield is an indirect measure of long-term land productivity.

Land productivity is the best indicator of soil quality available at this time. It shows the changes in long term land productivity as recorded in annual crop output. A Soil Quality Index that is a more accurate indicator of soil quality is being developed based on monitoring 43 representative benchmark sites and should be available by 2005.

*For more information, see the core measures methodology and related ministry measures in Appendices I and III.*

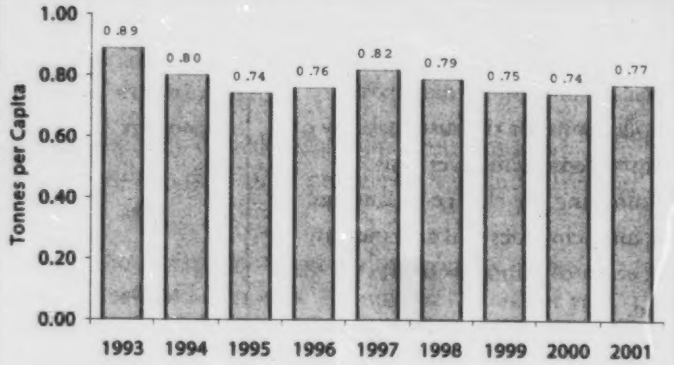
## goal 17 The high quality of Alberta's environment will be maintained

core measure(s)
AIR QUALITY
WATER QUALITY
**LAND QUALITY**

**SUPPLEMENTAL INFORMATION**

### Municipal Solid Waste to Landfills

The Alberta government provides technical and financial assistance to municipalities for waste management and recycling infrastructure, as well as training, education and general awareness about waste management options and opportunities. Industry stewardship programs have been developed for used oil materials, tires and beverage containers. With a prosperous economy, the pressures on landfills will continue to grow.



*Source:* Alberta Environment.

### Species at Risk

Alberta has an abundance and diversity of wild plants, insects, fish, amphibians, birds and mammals. However, as a result of natural and human causes, some species of wildlife are considered "at risk."

Through commitments made under the 1996 *Accord for the Protection of Species at Risk in Canada*, Alberta, like the other provinces and territories, has agreed to use the same protocol and definitions for determining the status of species, and will report provincially and nationally on the status of wild species every five years starting in 2000. In the first report, *Wild Species 2000*, Alberta reported that out of 832 species that were assessed, 12 (1.44%) were classified as "at risk".

**AT RISK**[1]

| ENDANGERED[2] | THREATENED[2] |
|---|---|
| Swift Fox | Woodland Caribou |
| Wood Bison | Barren-ground Caribou |
| Whooping Crane | Peregrine Falcon |
| Greater Sage Grouse | Northern Leopard Frog |
| Piping Plover | Trumpeter Swan |
| | Ferruginous Hawk |
| | Burrowing Owl |

[1] Defined as such by *The General Status of Alberta Wild Species 2000.*

[2] Defined as such by the Alberta Endangered Species Conservation Committee and referred to in the Alberta *Wildlife Act.*

*Source:* Alberta Sustainable Resource Development.

# goal 17 The high quality of Alberta's environment will be maintained

core measure(s)

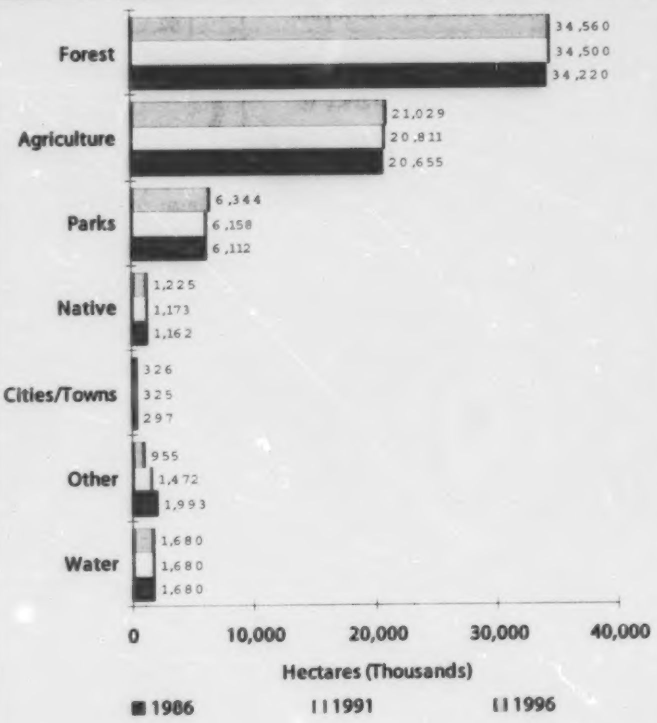
AIR QUALITY
WATER QUALITY
**LAND QUALITY**

**SUPPLEMENTAL INFORMATION**

## Land Use Changes
(1986 to 1996)

Changes in land use may have implications for the sustainability of natural ecosystems over time. Monitoring the change in land use for municipalities will also indicate the effect of human activities on the land.

Between 1986 and 1996, land use has increased for: forests (340,000 hectares); agriculture (374,000 hectares); parks (232,000 hectares); native lands (63,000 hectares) and cities and towns (29,000 hectares).



*Source:*

| | |
|---|---|
| Forest | Sustainable Resource Development, Green Zone estimates with exceptions of Provincial and National Parks and Forests within Aboriginal Areas. |
| Agriculture | Statistics Canada, 1996 Agricultural Profile of Alberta, Cat. 95-180XPB, and previous census for 1991 and 1986. |
| Parks and Water | Compendium of Canadian Forestry Statistics, National Forestry Database 1996. |
| Native | International and Intergovernmental Relations. |
| Cities/Towns | Statistics Canada, 1996 Census of Canada (GEOREF) and Agricultural Census of Canada. |

goal

# 18 Albertans will have the opportunity to enjoy the province's natural, historical and cultural resources

core measure(s) HERITAGE APPRECIATION

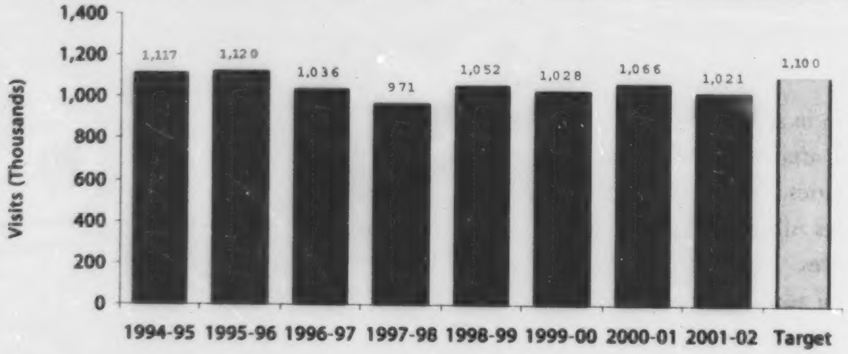
## HERITAGE APPRECIATION

**DESCRIPTION** Reports annual visitation to provincially-owned historic sites, museums and interpretive centres and to provincial parks and recreation areas.

**TARGET** 1.1 million visitors per year to provincially-owned historic sites, museums and interpretive centres, and 8 million visitors per year to provincial parks and recreation areas.

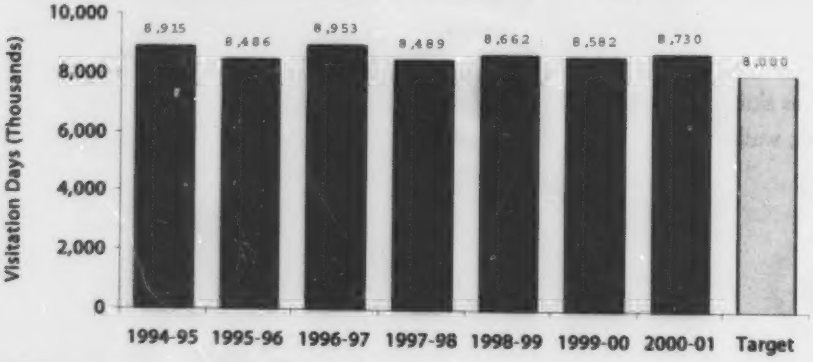
**RESULTS** Visitation at provincially-owned historic sites, museums and interpretive centres declined to 1,021,000 in 2001-02, below the target of 1.1 million visitors per year. Visitation at provincial parks and recreation areas increased to 8,730,000 in 2000-01, well surpassing the target of 8 million visitors per year.

**VISITATION AT PROVINCIALLY-OWNED HISTORIC SITES, MUSEUMS AND INTERPRETIVE CENTRES**



*Source:* Alberta Community Development.

**VISITATION AT PROVINCIAL PARKS AND PROVINCIAL RECREATION AREAS**



*Source:* Alberta Community Development.

*For more information, see the core measures methodology and related ministry measures in Appendices I and III.*

goal **18**

## Albertans will have the opportunity to enjoy the province's natural, historical and cultural resources

core measure(s) **HERITAGE APPRECIATION**

**DISCUSSION**

Albertans enjoy a high quality of life owing, in part, to the opportunities to access the province's wealth of natural, historical and cultural resources. These resources include parks and recreation areas, historic sites, museums, libraries, arts and cultural programs and sport and recreational opportunities.

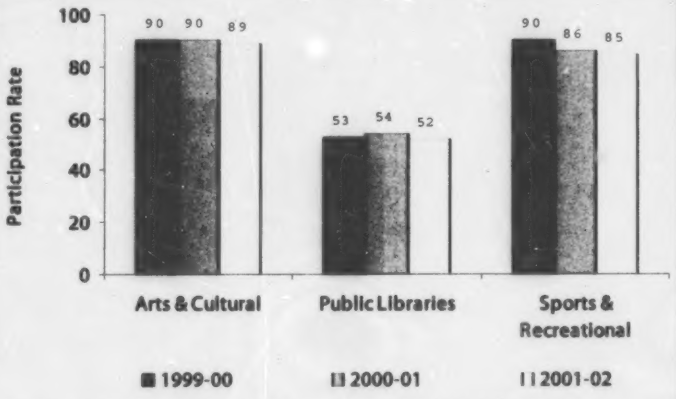
Visitation is affected by a number of factors such as currency exchange rates, global tourism and economic trends, weather patterns, condition of the exhibits and facilities, the type and nature of exhibits, competing and complementary educational and entertainment opportunities for the potential visitor, and provincial tourism policy, programs and promotions.

Of the total annual visitation to "Historic Sites, Museums and Interpretive Centres," about 40% of the visits are from outside Alberta.

**SUPPLEMENTAL INFORMATION**

### Sports and Recreational, Arts and Cultural, and Library Activities Participation Rate

Participation in sports and recreational, arts and cultural, and library activities is an indicator of the opportunities Albertans have to enjoy these resources. This chart shows the percentage of adult Albertans who visit public libraries and participate in arts and cultural activities such as performing in a choir, playing a musical instrument, taking an arts course, visiting an arts exhibition or gallery and sports and recreational activities such as skiing, golfing, skating, hockey, walking, bicycling and swimming.



*Source:* Alberta Community Development, based on 1999-2002 Research Innovations Inc. (formerly Advisory Group) surveys.

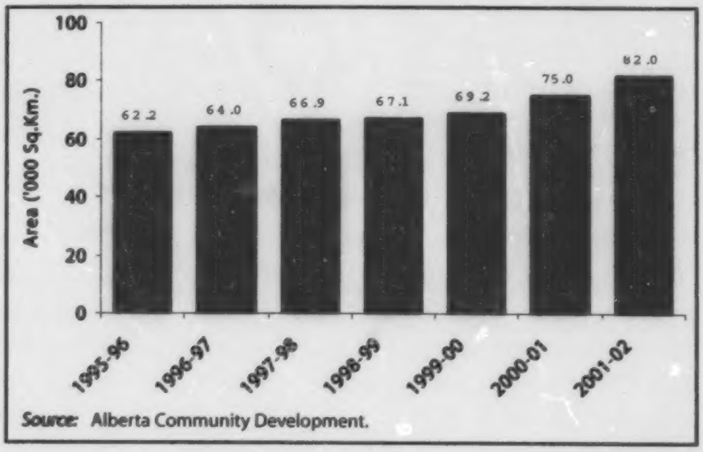
goal **18** **Albertans will have the opportunity to enjoy the province's natural, historical and cultural resources**

core measure(s) **HERITAGE APPRECIATION**

**SUPPLEMENTAL INFORMATION**

### Parks and Protected Areas

The designation of parks and protected areas preserves and protects Alberta's natural heritage to ensure it can be appreciated by generations to come. The chart shows the total area of national parks, provincial parks and protected areas in Alberta.



**Source:** Alberta Community Development.

## NEW CORE MEASURE FOR NEXT YEAR

# Heritage Appreciation

This will appear as a new core measure in next year's report for this goal.

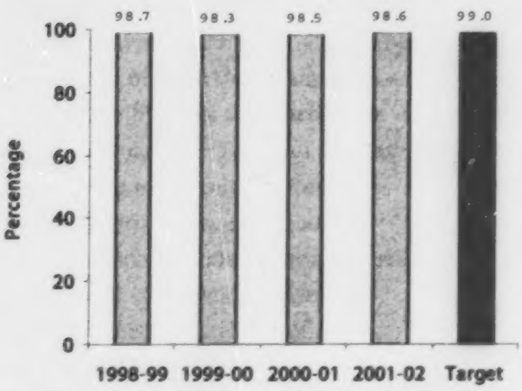
### WHY A NEW MEASURE

Goal 18 establishes the government's commitment to preserve, protect and present Alberta's unique history and culture through programs, exhibits, historic sites, museums and interpretive centres for all Albertans to enjoy. The Alberta government also manages and maintains Alberta's provincial parks and recreation areas to preserve the province's natural heritage and provide opportunities for heritage appreciation and outdoor recreation. The current core measure, which provides a general measure of the opportunity component of the goal, will be reported as supplemental information beginning next year.

### NEW MEASURE

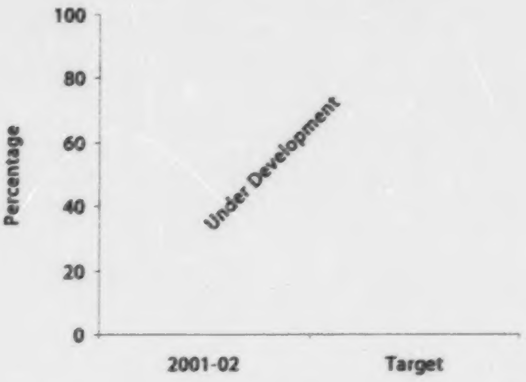
The new measure will provide information on the satisfaction of visitors with their experiences at provincially-owned historic sites, museums and interpretive centres and at provincial parks and recreation areas. The target satisfaction rating for provincially-owned historic sites, museums and interpretive centres is 99%. The target for provincial parks and recreation areas will be determined once baseline data is established.

**SATISFACTION OF VISITORS AT PROVINCIALLY-OWNED HISTORIC SITES, MUSEUMS AND INTERPRETIVE CENTRES**



*Source:* Alberta Community Development based on 1998-2001 Infact Research and Consulting Surveys.

**SATISFACTION OF VISITORS AT PROVINCIAL PARKS AND RECREATION AREAS**



*Source:* Alberta Community Development.

goal

# 19 Alberta will work with other governments and maintain its strong position in Canada

core measure(s) INTERGOVERNMENTAL RELATIONS

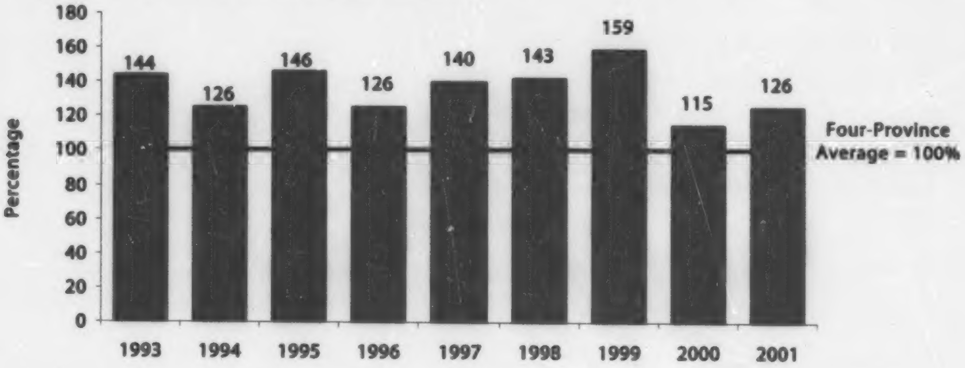
## INTERGOVERNMENTAL RELATIONS

**DESCRIPTION** Results of national opinion poll surveying the view of Canadians regarding the performance of their provincial and federal government in various areas of governance.

**TARGET** Maintain the Alberta government's public approval rating in federal-provincial relations equivalent to the average approval rating of the nearest four provinces (British Columbia, Saskatchewan, Manitoba and Ontario).

**RESULTS** In 2001, the Alberta government's approval rating in federal-provincial relations was 26% better than the average of the four other provinces, up from 2000. The key reason for the increase was a strong improvement in the ratings of Alberta while the average of the other four provinces stayed fairly constant.

**ALBERTA'S PUBLIC APPROVAL RATINGS IN FEDERAL-PROVINCIAL RELATIONS AS A PERCENTAGE OF THE AVERAGE RATING OF FOUR OTHER PROVINCES**



*Source:* Environics Research Group Limited, Focus Canada Report.

**DISCUSSION** The Alberta government plays a significant role in the Canadian federation, demonstrating leadership in those policy areas that affect the well-being of Albertans and other Canadians.

In particular, Alberta works to improve the social and economic well-being of Albertans through a more effective and efficient federation. The government recognizes that positive and productive relations between governments are essential for the effective operation of the Canadian federation.

The province continually seeks fair and equal treatment for Alberta within the federation, while recognizing the importance of helping other provinces achieve economic and fiscal self-reliance.

*For more information, see the core measures methodology and related ministry measures in Appendices I and III.*

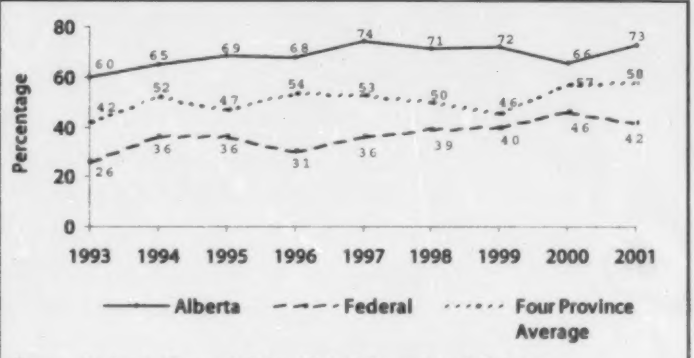
goal **19** Alberta will work with other governments and maintain its strong position in Canada

core measure(s) **INTERGOVERNMENTAL RELATIONS**

**SUPPLEMENTAL INFORMATION**

### Alberta's Public Approval Ratings in Federal-Provincial Relations

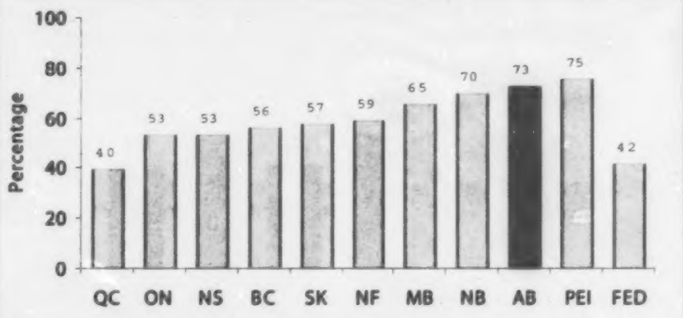
Since 1993, Alberta's public approval ratings in federal-provincial relations have been higher than the four-province average, and that of the federal government. Alberta's rating increased by seven percentage points in 2001.



**Source:** Environics Research Group Limited, Focus Canada Report.

### Public Approval Ratings in Federal-Provincial Relations (2001)

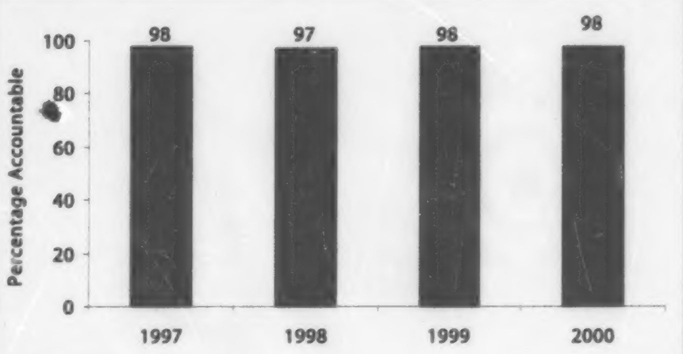
When compared to all other provinces and the federal government, Alberta ranked 2nd in public approval ratings, an improvement from 5th place in 2000.



**Source:** Environics Research Group Limited, Focus Canada Report, 2001.

### Municipal Financial Accountability

The graph indicates the percentage of municipalities meeting criteria of financial accountability. The Alberta government works to ensure that municipalities are financially accountable by establishing legislated limits upon which the criteria for financial sustainability are based. Regularly not meeting the criteria, or not addressing the associated problems may indicate viability issues.



**Source:** Alberta Municipal Affairs.

APPENDIX I

# Core Measures Methodology

## LIFE EXPECTANCY AT BIRTH

Life expectancy estimates are calculated and published by Statistics Canada. The Alberta data are Alberta Health and Wellness estimates. The 95% confidence interval for Alberta life expectancy estimates is about +/- .3 years. International life expectancies are from the World Health Organization's World Health Report 2001, but represents 2000 data. Countries equal to or greater than a million were selected. Life expectancy estimates for smaller populations tend to be less reliable. Rankings stated for 1999 in the "People - 2001-2002 Performance Summary" have been adjusted to reflect the new methodology.

## HEALTH STATUS

Data is collected through a telephone survey conducted for Alberta Health and Wellness of 4,000 randomly selected Alberta households. The question asked of Albertans 18 and over to seek self-reported health status is: "In general, compared with other people your age, would you say your health is excellent, very good, good, fair, or poor?" The confidence interval for this survey is 2 percentage points above or below the reported results.

## WELL-BEING OF CHILDREN

The Market Basket Measure (MBM) of low income calculates income at which a family of two adults and two children has sufficient income to achieve a credible standard of living. To purchase the "market basket" the family must have sufficient income to purchase nutritious food, buy clothing for work and social occasions, house themselves in their community, and pay for transportation and other necessary expenditures. The costs of the items in the MBM vary across the country and are adjusted for different family sizes and configurations. The threshold income is net of income and payroll taxes, child care costs, child support payments and out-of-pocket medical costs.

The 1997 data was calculated using thresholds for 1996 based on the preliminary version of the MBM. These were updated for 1997 by inflating the food, clothing and footwear and rent components by the percentage changes in these components in each province between 1996 and 1997. The preliminary 1997 MBM thresholds were applied to 1997 income data.

Data for the MBM is being collected and validated by Statistics Canada. It is anticipated that MBM data for 2000 will be released by Statistics Canada in Fall 2002.

## EDUCATIONAL ATTAINMENT

Statistics Canada's Labour Force Survey collects information on the highest level of education achieved by various age groups. The population age group for this measure was 25-34 years old. The data reported are annual averages for the calendar year.

A total of 4,120 Alberta households were surveyed with information provided on about 8,200 individuals. The coefficient of variation (the standard error as a percentage of the reported result) is 2.2% for the Alberta data and 1.1% for the Canadian total.

## LITERACY AND NUMERACY

Students normally take the grade 9 provincial achievement tests at age 14 to 15. The results are based on the number of students actually writing the tests. The provincial expectation is that 85% of the students writing will achieve the acceptable standard.

Students achieving the acceptable standard demonstrate that they have met the grade level requirements for that subject. Provincial achievement tests reflect the curriculum and are developed with extensive involvement from classroom teachers, and input from other educators, business and community groups, to ensure that the standards reflect public expectations.

The standards are set for each test by a committee of teachers and are then held constant by statistical methods in subsequent years.

### ECONOMIC STATUS OF ALBERTANS

**See above WELL-BEING OF CHILDREN**

### ABORIGINAL WELL-BEING

The data on employment and educational attainment rates is taken from the 1991 and 1996 Canada Censuses, Custom 2B profiles prepared by Statistics Canada for Aboriginal Affairs and Northern Development (AAND). In accordance with contractual obligations, these custom profiles are not publicly available. The employment rate is the number of the working age population (15-64 years) that is employed divided by the total number of people of working age, expressed as a percentage. Educational attainment data is based on a series of questions asking respondents to identify the highest level of education they have completed. The percentages reported with "at least high school completion" include anyone with high school completion or a higher level of education (e.g., some post-secondary, post-secondary completion). The percentages reported with "post-secondary completion" include anyone with a trade certificate, post-secondary diploma or degree, and exclude those with some post-secondary education but no credentials.

Data on life expectancy is calculated and published by the Department of Indian Affairs and Northern Development (DIAND). Life expectancy estimates the average number of years of life remaining to each member of a group of persons. It is calculated on the basis of observed age-specific mortality rates. "Registered Indians" are persons with status within the meaning of the Indian Act, whose names appear on the Indian Register as maintained by DIAND. Information concerning the demographic characteristics of the Indian population is updated regularly by band officials and published for December 31 of each year.

Measuring progress and improvement within the Aboriginal population in general and by its component groups specifically i.e., First Nation, Metis and Inuit, is critically dependent upon securing accurate and timely data.

To date, Aboriginal population data sources have been limited to the Canada Census, which is only available every five years, and the post-censal Aboriginal Peoples Survey, which has only been undertaken twice, in 1991 and 2001. Aboriginal-specific data from both the 2001 Census and Aboriginal Peoples Survey will be made publicly available during the first quarter of 2003, at the earliest.

During the past year, AAND has worked with Alberta Human Resources and Employment and Statistics Canada to establish and incorporate Aboriginal specific "identifiers" within the monthly provincial Labour Force Survey. This two-year pilot project has been approved and an Aboriginal identifier will be incorporated into the August 2002 survey process. In addition, AAND is working with Alberta Learning: Apprenticeship and Industry Training, to incorporate an Aboriginal specific "identifier" into the Prior Learning Assessment data collection process.

### GROSS DOMESTIC PRODUCT

The three-year average annual growth rate is calculated using Alberta Economic Accounts and Statistics Canada GDP data. The growth rate for each year is calculated and the rates are averaged over a three-year period.

Alberta Economic Accounts estimates are based on data from various sources such as Statistics Canada. These estimates are revised as more recent and better data becomes available.

### JOB GROWTH

Statistics Canada obtains information on employment growth as part of its monthly Labour Force Survey. Net employment growth is cumulative from January 2000. Job growth is calculated on an annual average basis (12 month average) which is the standard method for tracking job growth.

### SKILL DEVELOPMENT

Reports information from telephone surveys of employers conducted for Alberta Learning. In 2001-02 about 2000 Alberta employers responded to the survey, including 758 who hired recent degree and diploma graduates. These surveys ask employers about their satisfaction with the skills graduates have obtained in Alberta's post-secondary system. The "satisfied" and "very satisfied" responses have been combined to calculate the percentage of satisfied employers. The confidence interval for the current results is 2.3 percentage points above or below the reported values.

### VALUE-ADDED INDUSTRIES

The shares of provincial real GDP accounted for by the resource and manufacturing sectors are calculated using Alberta Economic Accounts 2000 data. The shares of real GDP accounted for by the knowledge-intensive industries are calculated using Statistics Canada's Provincial Economic Accounts 2001, which lists industry real GDP figures by the North American Industry Classification System (NAICS). The values of the primary resource sector (agriculture, fishing and trapping, forestry and mining), the manufacturing sector, and the knowledge-intensive industries are divided by total provincial GDP (at factor cost before statistical discrepancy) to determine each sector's contribution to the Alberta's economy.

Last year, results for the core measure and supplemental information for resource processing and other manufacturing industries were based on current dollar estimates. This year, results for these measures are based on constant (1997) dollar estimates because the most current data available for the knowledge-intensive services component of the core measure is available in constant dollars only, requiring the manufacturing data to be revised to the same basis.

Alberta Economic Accounts estimates are based on the latest data from Statistics Canada. The industry estimates are based on projections using related indicators and are considered preliminary. The estimates could be revised if better indicators are found or if Statistics Canada revises the source data. The industry estimates of GDP (at factor cost) are based on 1996 Input/Output tables.

### INFRASTRUCTURE CAPACITY

Alberta Transportation collects traffic volume data for Alberta primary highways. Traffic data is used to calculate the level of congestion based upon the United States Transportation Research Board's 2000 Highway Capacity Manual guidelines, the international standard for measuring highway capacity.

Last year, results for this measure were based on the 1994 version of the manual which was updated in 2000. The updated version has a higher acceptability of traffic congestion than the 1994 version, in recognition of higher congestion levels that are being experienced internationally.

The definitions for levels of service are outlined below:

A Vehicles are almost completely unimpeded.

B Ability to maneuver within traffic is only slightly restricted.

C Freedom to maneuver within traffic is noticeably restricted.

D Freedom to maneuver is severely limited.

E Boundary between levels D and E describes operation at capacity. Virtually no usable gaps in traffic.

F Breakdown or bottleneck with queuing.

The National Highway System in Alberta consists of the rural sections of the North-South Trade Corridor, TransCanada Highway 1, Highway 2 (Fort McCleod to Edmonton and Falher to west of Peace River), Highways 3, 4, and 9, Yellowhead Highway 16, and Highways 35, 43, and 49 (Valleyview to Falher). The rural national Highway System excludes the urban and fringe segments of the above highways.

Alberta Energy collects data from Nova Gas Transmission Ltd. (NOVA) and Alliance Pipeline Ltd. (Alliance) which it uses to estimate total pipeline capacity. Information from NOVA and the National Energy Board is used to determine actual throughtput. Previously reported results for 2000, 2001 and 2002 have been updated to reflect more accurate estimates of available capacity.

Alberta Innovation and Science collects information from Alberta universities' audited financial statements about their sponsored research funding from all sources.

### TAXATION LOAD

The tax load data is derived by the Federal Department of Finance using all provincial and municipal tax revenue data. Tax load is expressed as an index with the average provincial tax load equal to 100 basis points. The tax load on persons includes personal income, sales, tobacco, gasoline and diesel, and payroll taxes, and health care premiums.

### PROVINCIAL CREDIT RATING

A blended rate is an average (rounded) of the domestic debt credit ratings issued by Standard and Poor's Rating Services, Moody's Investors Service Limited and Dominion Bond Rating Service.

### ACCUMULATED DEBT

Accumulated debt includes the outstanding consolidated debt of the General Revenue Fund, the debt of the Alberta Social Housing Corporation (net of borrowings from the General Revenue Fund) and the government's liability for school construction debt.

Net debt is defined as the difference between the province's financial assets and its liabilities, excluding pension obligations. Assets do not include capital assets such as land and buildings, but do include external Heritage Fund investments and loans to farmers and small businesses. Liabilities include General Revenue Fund and Crown corporation liabilities, and accounts payable, less Alberta Heritage Savings Trust Fund internal debt holdings.

### COST OF GOVERNMENT

Expresses the per capita cost of government as a percentage of the average per capita expenditure of the nine other provinces. Data is from Statistics Canada, Public Institutions Division, Financial Management Statistics. The 2000-01 Statistics Canada figure for Alberta has been reduced by the proceeds from power auctions that were held in a separate fund and administered by the Power Pool Council, which is not included in the government's consolidated financial statements.

## WORKPLACE CLIMATE

Human Resources Development Canada (HRDC) provides the number of person-days lost due to work stoppages for each of the 10 provinces in Canada. Strikes and lockouts involving federal government workers are excluded for inter-provincial comparison, but are included for the national rate. HRDC data include both legal and illegal strikes and lockouts.

For inter-provincial comparison of workplace injury and disease, HRDC provides an estimate of the person-days lost for each province based on the data it collects from the Workers' Compensation Board (WCB) in each jurisdiction. Changes to WCB legislation in some jurisdictions may result in variations among the data. The HRDC data include claims compensated during the reference year regardless of when the accident occurred or was reported. Injury and disease data are based on employees who are covered by the WCBs. Therefore, injury and disease data for groups such as agricultural workers are not collected.

Data from Statistics Canada Labour Force Survey and Public Institutions Division are used to calculate the person-days worked. The number of non-agricultural paid workers (less federal employment) is converted into person-days worked using the standard of 20.89 working days per month. The number of person-days lost is divided by person-days worked and multiplied by 10,000 to obtain the rates.

For the Alberta-specific time series of person-days lost to injury and disease, data are provided directly from the Alberta WCB, based on claims submitted by its clients. The Alberta WCB data include claims compensated in the reference year and up to three months after the reference year.

## EXPORT TRADE

Alberta Economic Development (AED) uses Statistics Canada data to monitor the value of goods exported to other countries. Statistics Canada prepares the data monthly and publishes it in Canadian International Merchandise Trade (Cat. No. 65-001). Alberta's international value-added exports include manufactured goods, tourism and other services measured in current dollars. The total value of Alberta's international exports is equivalent to Statistics Canada's published numbers, but the industry specific values differ because of different industry definitions, i.e., the definitions for agriculture, mining, and manufacturing and other are specific to AED but are based on Statistics Canada classifications. Tourism estimates are also obtained from Statistics Canada. Estimates for other services are developed in-house by AED, based on various Statistics Canada surveys.

Results for previous years have been revised due to major changes in methodology for service exports. Previous results were based on a 1996 survey which underestimated Alberta's exports of transportation services. These estimates were much lower than Statistics Canada's Input-Output Division estimates and were also out of line with estimates of national transportation exports. Revised results are based on an allocation of Canadian exports of transportation services to Alberta. A number of other minor methodological changes were also made which, in aggregate, resulted in a small reduction in total service exports.

## CRIME RATE

Crime is defined as the total number of Criminal Code of Canada incidents involving youth and adults. Violent crime involves offences that deal with the application, or threat of application of force to a person. These include homicide, attempted murder, various forms of sexual and non-sexual assault, robbery and abduction. Traffic incidents that result in death or bodily harm are not included. Property crime includes incidents involving unlawful acts with the intent of gaining property but do not involve the use or threat of violence against an individual. Theft, breaking and entering, fraud and possession of stolen goods are examples of property crimes.

Crime statistics are collected using the Uniform Crime Reporting Survey, a common survey used to measure police-reported crime in each Canadian jurisdiction. Crime rates may vary owing to differences in the jurisdiction's enforcement methods, charging practices and available diversion programs, rather than the incidence of actual crime. Population data from Statistics Canada is used to convert reported crime into crime rates per 100,000 population.

Data for the victimization rate and the public perception of safety in the neighbourhood is collected through a telephone survey conducted for Alberta Justice and Solicitor General. Consistent with surveys in previous years, 750 Albertans were interviewed, thereby providing a margin of error that is no greater than 3.6% at the 95% confidence level.

### RENEWABLE RESOURCE SUSTAINABILITY

Timber sustainability compares the annual timber harvest with the long-term sustainable annual allowable cut (AAC) as set by the province within the Green Area. The Green Area is primarily the unsettled portion of the province defined as lands not available for agricultural development other than grazing. The AAC is the amount of timber that can be harvested on a sustainable basis within a defined planning area. (AAC is determined on either an individual forest management unit or specific forest management agreement area basis). Forest management strategies also take into account other forest uses outside of timber production.

Annual allowable cut is established taking into consideration factors such as forest inventory, growth rates, changes to reserved areas, regeneration success, natural mortality, and the impact of fire and insects/disease.

Data from the Timber Production Reporting System is used to determine the harvest level. Certain volumes are not included in the harvest level for the purpose of comparability to the AAC. For example, fire salvage is not included in harvest level because it does not contribute to AAC.

Yearly harvest levels may be greater than the annual allowable cut, but harvest levels cumulated over the five-year period (sum of harvest over a five-year period) should not exceed the annual allowable cut within each planning area (expressed as five times the planning area AAC). All Alberta timber dispositions greater than one year in term are balanced over five-year periods. In the case of coniferous quotas (28% of Green Area conifer annual allowable cut), these five-year periods are called quadrants. Quota holders have the flexibility to harvest any or all of quadrant allowable cut (five years times their annual allotment) in any one-year or combination of years within that quadrant. Similarly, forest management agreement holders, who make up 66% of Green Area conifer annual allowable cut, utilize five-year cut control periods. As a result of the flexibility allowed to quota and forest management agreement holders, harvest levels and annual allowable cuts are compared on a five-year rolling average basis.

Comparative data may change between reporting years primarily as a result of production audits that are carried out at the conclusion of each five-year planning period.

There is a one-year delay in the reporting of this data; the reported AAC for 2000-01 represents the approved AAC upon conclusion of the fiscal year (April 2001). In some cases, revisions are made to the approved AAC in previous years, but these revisions have not been reflected in the published results.

Crop yields are collected by the Agriculture Division of Statistics Canada and Alberta Agriculture, Food and Rural Development for the various crops and are converted to a standard base of tonnes per acre of wheat.

### AIR QUALITY

The measure is based on data collected from nine continuous monitoring stations across the province - three stations in both Edmonton and Calgary, and one station in each of Red Deer, Fort McMurray and Fort Saskatchewan. The data from these stations is used to calculate the Index of Quality of Air (IQUA) every hour.

The IQUA is based on outdoor concentrations of five major air pollutants (carbon monoxide, the dust and smoke, nitrogen dioxide, ozone, and sulphur dioxide). The concentration of each pollutant is converted to an IQUA number, and the highest number is the IQUA for that station. IQUA ratings are divided into Good, Fair, Poor and Very Poor categories. These categories are derived using formulas based on air quality guidelines of the Alberta Environmental Protection and Enhancement Act and the National Air Quality Objectives.

### WATER QUALITY

Monthly water quality samples are collected at two locations for each of the province's six major river systems. An index value is calculated for each of four variable groups for data collected between April and March, representing both a fiscal and a water" year:

- Metals (up to 22 variables measured quarterly);
- Nutrients (6 variables measured monthly, includes oxygen and pH);
- Bacteria (2 variables measured monthly); and
- Pesticides (up to 17 variables measured quarterly).

Index values for the four variable groups are then averaged to produce an overall index of surface water quality that can be tracked over time.

The formula used to calculate index values for each group is based on three statistical attributes of water quality with respect to desirable levels (defined by water quality guidelines in most cases):

- Scope - the total number of water quality variables that do not meet guidelines
- Frequency - the number of individual measurements for all variables combined that do not meet guidelines
- Amplitude - the amount by which measurements do not meet guidelines

Variables in the first three groups are compared to guidelines listed in Surface Water Quality Guidelines for Use in Alberta. Where a number of guidelines exist for one variable, the guideline for the most sensitive use (recreation, agriculture, or the protection of aquatic life) is chosen. Drinking water guidelines are not considered, since surface water should not be used for drinking without first being treated.

Variables in the fourth group (pesticides) are evaluated based on whether or not they can be detected in a water sample. This conservative approach was adopted because some pesticides do not yet have official guidelines and, unlike metals, nutrients and bacteria, do not occur naturally in the environment.

### LAND QUALITY

Crop yields are collected by the Agriculture Division of Statistics Canada and Alberta Agriculture, Food and Rural Development for the various crops and are converted to a standard base of tonnes per acre of wheat.

### HERITAGE APPRECIATION

Visitation data for historic sites, museums and interpretive centres is collected by Alberta Community Development for 18 provincially-owned historic sites, museums and interpretive centres. Visitation is estimated at the sites to accommodate the unique circumstances of gathering precise visitation data at each facility, such as differences in location of the admissions facility or access after regular opening hours. Visitation to other Alberta museums is not reflected in these figures.

Alberta Community Development manages the province's parks and protected areas network consisting of three wilderness areas, Willmore Wilderness Park, 16 ecological reserves, 32 wildland provincial parks, 68 provincial parks, 152 natural areas, and 256 recreation areas. Visitation statistics are compiled and reported only for provincial parks and major recreation areas that are auto-accessible. The ministry obtains its information through camping permit sales, automatic traffic counter readings, periodic surveys of visitors and historic data. This information is used to provide the estimates of annual visitation that are reported in this measure. Visitation to provincial parks and recreation areas is influenced by economic factors, by environmental factors, such as weather patterns, fire bans, and closures due to wildlife concerns, and by other factors such as road construction.

### INTERGOVERNMENTAL RELATIONS

Environics Research Group Ltd. conducts a quarterly national opinion poll surveying the views of Canadians regarding the performance of their provincial and federal government in various areas of governance. The results are reported in the Focus Canada Report. Albertans are specifically asked to rate their approval or disapproval of the way their government (both their provincial government and the federal government) is handling federal-provincial relations. The average of the four quarterly surveys shows the percentage of Albertans approving of their respective government's performance.

The margin of error for a stratified probability sample of the size used for the survey is +/- 2.2 percentage points, 19 times out of 20. The approximate margin of error is greater for results pertaining to each of the provinces. For the December 2001 survey, the margin of error for each of the provinces is; Ontario (4.1), Manitoba (8.6), Saskatchewan (8.7), Alberta (6.6) and British Columbia (6.4), 19 times out of 20.

# Government of Alberta Business Plan 2001-04

## The Future...
## Meeting Priorities, Sharing Benefits

### A PLAN FOR A NEW AGE

Alberta stands on the doorstep of a new age. An age where economic globalization and technology are linking our province and its people to a worldwide neighbourhood. An age where freedom from debt – once only a tiny pinpoint of light far in the distance – is now firmly in view. An age where knowledge and innovation are rapidly increasing the pace of change.

Alberta is well prepared for the new age. The province's economy leads the nation by nearly all measures, and growth is predicted to remain strong well into the future. This robust economy sustains a high quality of life and creates wealth to pay for things that are important to Albertans: an excellent education system, a solid infrastructure, a world-class health care system, and support for children, seniors, and others who need it.

### OUR VALUES

The province's success has been based on the strong values Albertans hold. The job of government is to ensure that those values continue to be reflected in its programs and services.

Albertans value independence – making our own choices and finding our own paths, free of discrimination and unnecessary impediments.

Albertans value innovation – trying new ideas and finding new ways of doing things.

Albertans value people – ensuring that all members of society, especially the most vulnerable, can participate in the life of the province.

Albertans value fiscal responsibility – living within our means, and making wise choices that reflect our needs and priorities.

These values are reflected in the Government Business Plan 2001-04.

### NEW OPPORTUNITIES

Alberta could soon become the only province in Canada to be debt-free. Burning our mortgage creates a new fiscal environment. The global environment is changing too. Technology is opening doors that weren't there before.

These changes create opportunities to address some of the challenges Albertans now face. They offer possible answers to questions like: what can be done to enhance health care? Is our education system the best it can be? Can our taxes be lower? How can we take better care of our children and provide more support to seniors and families? Can we improve the province's infrastructure?

Addressing these challenges is the priority of the government's 2001-04 business plan. The government's efforts will focus on:

- improving health care;
- striving for excellence in education;
- continuing the tradition of wise fiscal management and low taxes;
- caring for children and supporting seniors and families; and
- investing in infrastructure.

## IMPROVING HEALTH CARE

Alberta will strive to protect and improve the publicly funded health care system by continuing to implement the Six-Point Plan for Health. Actions to be undertaken in the course of this business plan include:

- ensuring Albertans get the care they need through accessible, high quality health services;
- preparing for future health needs through ongoing innovation, integration, and coordination in health service delivery;
- providing more services to people where they need them – in their communities and in their homes; and
- focusing on long-term health gains through increased emphasis on programs to prevent illness and injury, and protect and promote good health, as well as healthy active lifestyles.

## STRIVING FOR EXCELLENCE IN EDUCATION

A well-educated population drives economic growth, innovation and increases in standards of living. The Government of Alberta will support lifelong learning over the next three years by:

- meeting diverse learner needs by building capacity for a range of learning opportunities;
- building a solid foundation for learning by focusing on the early grades;
- ensuring that students' financial needs are not a barrier to learning;
- expanding opportunities for youth to develop career preparation and employability skills; and
- expanding training opportunities in information technology, communications, education and health.

## CONTINUING THE TRADITION OF WISE FISCAL MANAGEMENT AND LOW TAXES

Wise fiscal management ensures that Alberta can afford to invest in priority areas and maintain a competitive tax regime. Together, these enhance the quality of life in Alberta, spur job creation and leave more money in peoples' pockets. The next three years will see Alberta's tax advantage grow even more by:

- maintaining a globally competitive tax regime, and
- implementing the business tax reduction plans beginning on April 1, 2001, on an affordable basis.

## CARING FOR CHILDREN AND SUPPORTING SENIORS AND FAMILIES

Alberta's children deserve the best care we can give them. The 2001-04 business plan includes several initiatives to take care of children, including:

- addressing the recommendations of the Task Force on Children at Risk and Children's Forums;
- introducing strategies to address priority health issues like low birth weight babies; and
- supporting Child and Family Services Authorities and other partners in the delivery of community-based, integrated services to children, youth and families, with emphasis on early intervention, meeting the needs of Aboriginal children, and providing transitions for youth.

The business plan also identifies several initiatives to support seniors, families, and other Albertans, including:

- shielding Albertans from unexpected spikes in natural gas prices; and
- continuing to plan for the needs of an aging population by ensuring that Alberta seniors, particularly those most in need, have the programs and services they need to live in comfort and dignity.

## INVESTING IN INFRASTRUCTURE

Having a modern, reliable infrastructure is a key to sustaining economic growth and maintaining a high quality of life. Among the highlights of Alberta's investment in infrastructure are:

- developing a high speed, provincial technology network that will ensure high speed Internet and wide-area network availability so that all Albertans can access government services;
- strengthening Alberta's multi-billion investment in physical infrastructure for educational institutions, health care, seniors' and social housing, irrigation, water management and other government programs through appropriate maintenance and upgrading;
- facilitating trade by improving key highway routes, including the North-South Trade Corridor; and
- completing the restructuring of Alberta's electric industry and managing the transition to a deregulated market.

## LOOKING AHEAD

The Government of Alberta's 2001-04 Business Plan has two parts. The first section comprises the goals and strategies undertaken by individual ministries in the government's three core businesses of *People, Prosperity and Preservation.*

However, many issues are not isolated to a single ministry, so the second part of the business plan includes cross-ministry initiatives that involve cooperation across government.

There are four priority cross-ministry initiatives for this business plan:

1. the Aboriginal Policy Initiative;
2. the Economic Development Strategy;
3. the Seniors Policy Initiative; and
4. the Children and Youth Services Initiative.

Work is also continuing on four key government administrative priorities:

1. the Alberta Corporate Service Centre Initiative;
2. the Corporate Human Resource Development Strategy;
3. the Corporate Information Management/Information Technology Strategy; and
4. the Alberta One-Window Initiative.

Together, the two parts form the plan that will guide Alberta's way into a new age.

# GOALS, STRATEGIES, MEASURES AND TARGETS

The government's activities are focused on three core businesses: ***People, Prosperity and Preservation.*** The goals chosen for each of the core businesses reflect the government's priorities for protecting the quality of life in Alberta, while maintaining a commitment to fiscal responsibility. Key strategies have been set out for achieving these goals along with performance targets and measures for tracking progress.

## PEOPLE...

The goals for the ***People*** core business are directed at improving the quality of life in Alberta for individuals and their families through the government's priorities for health, education, our children, those in need, and Aboriginal Albertans.

## PROSPERITY...

The goals for the ***Prosperity*** core business focus on protecting the quality of life in Alberta through the government's priorities for our economy, work force and work places, infrastructure, value-added industries, export trade, and financial and fiscal position.

## PRESERVATION...

The goals for the ***Preservation*** core business reflect the government's priorities for community safety, our renewable resources, the environment, our natural, historical and cultural resources, and Alberta's relations with other levels of government.

**This section of the government business plan outlines the goals, and key strategies for each of the three core businesses. Reference to the lead ministries responsible for the service or program delivery is provided in parentheses. Performance measures and targets are also described.** More detail about how the government intends to achieve these goals is included in the business plans of individual ministries.

A summary table of the goals, measures and targets for the *2001-04 Government Business Plan* is presented on the next page.

# GOVERNMENT BUSINESS PLAN 2001-04
## Goals, Performance Measures, and Targets

### People

| Goals | Measures | Targets |
|---|---|---|
| 1. Albertans will be healthy. | • Life Expectancy at Birth<br>• Health Status | • Maintain or improve current life expectancy at birth and be among the top 10 countries in the world.<br>• By 2003, 70% of Albertans aged 18-64 rate their health as very good or excellent , and 80% of Albertans aged 65 and over rate their health as good or better. |
| 2. Our children will be well cared for, safe, successful at learning and healthy. | • Well Being of Children | • To be determined once baseline is established. |
| 3. Alberta students will excel. | • Educational Attainment<br>• Literacy and Numeracy Levels | • By 2003, 90% of Albertans aged 25-34 will have completed high school, and 60% will have completed post-secondary education. Maintain or improve inter-provincial ranking.<br>• 85% of Grade 9 students meet acceptable standards on provincial achievement tests in math and language arts. |
| 4. Albertans will be independent. | • Economic Status of Albertans | • To be determined once baseline is established. |
| 5. Albertans unable to provide for their basic needs will receive help. | • Economic Status of Albertans | • To be determined once baseline is established. |
| 6. The well-being and self-reliance of Aboriginal people will be comparable to that of other Albertans. | • Aboriginal Well-Being | • By 2010: the difference in employment rates of Aboriginal Albertans and other Albertans will be less than 10%; the percentage of Aboriginal learners 15 years of age or older with high school completion will be 60% and 30% with post-secondary completion; the difference in life expectancy of Registered Indians in Alberta and all Albertans will be reduced by one year. |

### Prosperity

| Goals | Measures | Targets |
|---|---|---|
| 7. Alberta will have a prosperous economy. | • Gross Domestic Product<br>• Job Growth | • 3 year annual average GDP growth rate of 4 to 6%.<br>• 295,000 new jobs in the 6 years ending December 2005. |
| 8. Our workforce will be skilled and productive. | • Skill Development | • 90% of employers satisfied with recent post-secondary graduates skills. |
| 9. Alberta businesses will be increasingly innovative. | • Business Innovation | • Alberta business use of the Internet will account for an increasing percentage of economic activity. |
| 10. Alberta s value-added industries will lead economic growth. | • Value-Added Industries | • Alberta s value-added industries will account for an increasing percentage of Provincial GDP. |
| 11. Alberta will have effective and efficient infrastructure. | • Infrastructure Capacity | • 95% of rural sections of the National Highway System at level of service B or better upon completion of the North-South Trade Corridor; export gas pipeline capacity will exceed demand; continue to increase industry and non-profit sponsored research. |
| 12. Alberta will have a financially stable, open and accountable government. | • Taxation Load<br>• Provincial Credit Rating<br>• Accumulated Debt<br>• Cost of Government | • Maintain the lowest tax load on persons and business among the provinces.<br>• The highest blended credit rating for domestic debt among the provinces.<br>• Reduce the March 31, 2000 accumulated debt by at least 13% by 2004-05 and eliminate it no later than 2024-25.<br>• Remain 5% below the average per capita government expenditure of the other nine provinces. |
| 13. Alberta will have a fair and safe work environment. | • Workplace Climate | • The rate of person-days lost to work stoppages, and injury and disease will be among the three lowest of all the provinces. |
| 14. Alberta businesses will increase exports. | • Export Trade | • Increase international value-added exports to $28.5 billion by the year 2004. |

### Preservation

| Goals | Measures | Targets |
|---|---|---|
| 15. Alberta will be a safe place to live and raise families. | • Crime Rate | • Reduce Alberta s crime rates below the national rates by 2005. |
| 16. Alberta s renewable natural resources will be sustained. | • Renewable Resource Sustainability | • Keep timber harvest at or below the annual allowable cut. Achieve sustainable crop yields of 0.92 tonnes per acre by 2004. |
| 17. The high quality of Alberta s environment will be maintained. | • Air Quality<br>• Water Quality<br>• Land Quality | • Maintain air quality levels that are considered good or fair at all times.<br>• Bring river water quality downstream of developed areas in line with upstream conditions, while maintaining overall river water quality.<br>• Achieve sustainable crop yields of 0.92 tonnes per acre by the year 2004. |
| 18. Albertans will have the opportunity to enjoy the province s natural, historical and cultural resources. | • Heritage Appreciation | • 1.1 million visitors per year to provincially-owned historic sites, museums, and interpretive centres and 8 million visitors per year to provincial parks and recreation areas. |
| 19. Alberta will work with other governments and maintain its strong position in Canada. | • Intergovernmental Relations | • Maintain the Alberta government s public approval rating in federal-provincial relations equivalent to the average approval rating of the four nearest provinces. |

## core business *People ...*

# goal 1 Albertans will be healthy

**KEY STRATEGIES:**

- ensure Albertans get the care they need through accessible high quality health services (HW)
- prepare for future health needs through ongoing innovation, integration and coordination in health service delivery (HW)
- provide more services to people where they need them – in their communities and in their homes (HW)
- improve accountability and results in the health care system through clear expectations and better information (HW)
- focus on long-term health gains through increased emphasis on programs to prevent illness and injury, and protect and promote good health, as well as healthy active lifestyles (CD, ENV, HRE, HW, PAO)

**CORE MEASURES:**

## LIFE EXPECTANCY AT BIRTH

**DESCRIPTION** Female and male life expectancy.

**TARGET** Maintain or improve current life expectancy at birth and be among the top 10 countries in the world.

## HEALTH STATUS

**DESCRIPTION** Self-reported status by Albertans over 18.

**TARGET** By the year 2003, 70% of Albertans aged 18-64 will rate their health as 'very good' or 'excellent', and 80% of Albertans aged 65 or over will rate their health as 'good' or better.

Abbreviations for Ministries:

| | |
|---|---|
| AAND | Aboriginal Affairs and Northern Development |
| AEDA | Alberta Economic Development Authority |
| AFRD | Agriculture, Food and Rural Development |
| CD | Community Development |
| CS | Children's Services |
| ED | Economic Development |
| ENERGY | Energy |
| ENV | Environment |
| FINANCE | Finance |
| GAMING | Gaming |
| GS | Government Services |
| HRE | Human Resources and Employment |
| HW | Health and Wellness |
| IIR | International and Intergovernmental Relations |
| INFRA | Infrastructure |
| IS | Innovation and Science |
| JUS | Justice and Attorney General |
| LEARN | Learning |
| MA | Municipal Affairs |
| PAB | Public Affairs Bureau |
| PAO | Personnel Administration Office |
| REVENUE | Revenue |
| SENIORS | Seniors |
| SG | Solicitor General |
| SRD | Sustainable Resource Development |
| TRANS | Transportation |

# goal 2 Our children will be well cared for, safe, successful at learning and healthy

**KEY STRATEGIES:**

Key strategies in italics are associated with the Children and Youth Services Cross Ministry Initiative. See page 36.

- *continue implementation of the Children and Youth Services Initiative with an emphasis on cross ministry initiatives to improve supports and resources to children, youth and families* **(AAND, CD, CS, HRE, HW, LEARN, SG)**
- address the recommendations of the Task Force on Children at Risk and Children's Forum **(CS, HW, LEARN, SG)**
- support Child and Family Services Authorities and other partners in the delivery of community-based, integrated services to children, youth and families, with an emphasis on early intervention, meeting the needs of Aboriginal children and providing transitions for youth **(AAND, CD, CS, HW, LEARN, SG)**
- provide a range of integrated health and related support services to identified students with special health needs registered in school programs **(CS, HW, LEARN)**
- continue to promote the Alberta Child Health Benefit which provides low-income families with the prescription drugs, dental, optical, and ambulance services that their children require **(HRE)**
- introduce health strategies to address priority health issues, including low birth weight babies **(CS, HW)**
- identify strategies for integrated mental health services to children, youth and families **(CS, HW, LEARN)**

**CORE MEASURE:**

**WELL BEING OF CHILDREN**

| | |
|---|---|
| **DESCRIPTION** | Percentage of Alberta children living in families with incomes above the Market Basket Measure (MBM) low income threshold. |
| **TARGET** | To be determined once baseline is established. |

# goal 3 Alberta students will excel

**KEY STRATEGIES:**

- enhance school-readiness opportunities for children from birth to three years of age (CS, LEARN)
- build a solid foundation for learning by focusing on early grades (LEARN)
- improve student learning by continuing to implement and evaluate the Alberta Initiative for School Improvement collaboratively with partners (LEARN)
- meet diverse learner needs by building capacity for a range of learning opportunities (HRE, INFRA, LEARN)
- ensure that students' financial needs are not a barrier to participating in learning opportunities (HRE, LEARN)
- expand opportunities for youth to develop career preparation and employability skills (HRE, LEARN)
- improve assessment and reporting of learner achievement (LEARN)

**CORE MEASURES:**

### EDUCATIONAL ATTAINMENT

| | |
|---|---|
| **DESCRIPTION** | High school or post-secondary completion. |
| **TARGET** | By 2003, 90% of Albertans aged 25-34 will have completed high school, and 60% will have completed post-secondary education. Maintain or improve inter-provincial ranking. |

### LITERACY AND NUMERACY LEVELS

| | |
|---|---|
| **DESCRIPTION** | Achieving the acceptable standard in language arts and mathematics. |
| **TARGET** | 85% of Grade 9 students are expected to achieve the acceptable standard on provincial achievement tests in language arts and mathematics. |

## goal 4 Albertans will be independent

**KEY STRATEGIES:**

- improve transitions for youth among school, further learning and work **(CS, HRE, LEARN)**
- develop additional government-wide strategies through the People and Prosperity Initiative that help Albertans contribute to and share in Alberta's economic prosperity **(HRE, ED, LEARN, all ministries)**
- ensure up-to-date information is available to all Albertans on labour market needs, career preparation and opportunities for further learning **(HRE, LEARN)**
- continue efforts to get social assistance clients into the workforce by improving training programs and providing financial and health benefits **(HRE)**

**CORE MEASURE:**

| | **ECONOMIC STATUS OF ALBERTANS** |
|---|---|
| **DESCRIPTION** | Increase the percentage of people in Alberta living above the Market Basket Measure (MBM) low income threshold. |
| **TARGET** | To be determined once baseline is established. |

## goal 5 Albertans unable to provide for their basic needs will receive help

**KEY STRATEGIES:**

Key strategies in italics are associated with the Seniors Policy Cross Ministry Initiative. See page 35.

- continue to improve income support services for Albertans who are unable to provide for their basic needs and require financial assistance **(HRE)**
- sponsor initiatives which provide effective supports to Albertans with developmental and other disabilities, and promote their inclusion in community life **(CD)**
- provide financial assistance to lower-income seniors through the *Alberta Seniors Benefit* and *Special Needs Assistance for Seniors* programs **(SENIORS)**
- facilitate the provision of appropriate seniors housing, and family and special purpose housing for Albertans most in need **(SENIORS)**
- *strengthen the coordination of provincial government programs and services for seniors, and develop a strategic framework and a 10-year action plan on the aging population through the Seniors Policy Initiative* **(HW, SENIORS, all ministries)**
- implement strategies to address homelessness in conjunction with municipal governments, local authorities, community groups and the private sector **(HRE, HW, SENIORS)**

**CORE MEASURE:**

### ECONOMIC STATUS OF ALBERTANS

| | |
|---|---|
| **DESCRIPTION** | Increase the percentage of people in Alberta living above the Market Basket Measure (MBM) low income threshold. |
| **TARGET** | To be determined once baseline is established. |

## goal 6 The well-being and self-reliance of Aboriginal people will be comparable to that of other Albertans

### KEY STRATEGIES:

Key strategies in italics are associated with the Aboriginal Policy Cross Ministry Initiative. See page 33.

- *improve the health status and well-being of Aboriginal people* **(AAND, CD, CS, HW)**
- *improve the educational attainment of Aboriginal learners* **(AAND, CS, HRE, LEARN)**
- *increase the collaborative participation of Aboriginal governments, organizations and people in the design and delivery of programs and services* **(all ministries)**
- *promote the appreciation and preservation of Aboriginal cultures in Alberta* **(AAND, CD, CS, JUS)**
- *increase the participation by Aboriginal people in the Alberta economy* **(all ministries)**
- *clarify federal/provincial/Aboriginal roles and responsibilities* **(all ministries)**

### CORE MEASURE:

#### ABORIGINAL WELL-BEING

**DESCRIPTION** Aboriginal well being is measured by comparing the employment rate and the high school completion rate of Alberta's Aboriginal people to those of non-Aboriginal people, and by comparing the life expectancy of registered Indians to that of all Albertans.

**TARGET** By 2010: the difference in employment rates of Aboriginal Albertans and other Albertans will be less than 10%; the percentage of Aboriginal learners 15 years of age or older with high school completion will be 60% and 30% with post-secondary completion (comparable 1996 percentages were 52.2 and 24.9, respectively); the difference in life expectancy of Registered Indians in Alberta and all Albertans will be reduced by one year.

# core business *Prosperity ...*

## goal 7 Alberta will have a prosperous economy

**KEY STRATEGIES:**

Key strategies in italics are associated with the Economic Development Strategy Cross Ministry Initiative. See page 34.

- continue to promote the Alberta Advantage **(all ministries)**
- *continue implementation of the Economic Development Strategy to enable Albertans to meet future economic challenges* **(ED, IS, LEARN, all ministries)**
- *develop a collaborative approach to regional economic development that builds on regional goals, priorities and strengths* **(AAND, AEDA, AFRD, ED, ENV, IIR, MA, SRD)**
- *ensure the sufficient supply of skilled labour to meet Alberta's economic growth* **(ED, HRE, IIR, LEARN)**
- encourage investment and economic activity by maintaining a globally competitive tax regime **(AEDA, ED, FINANCE)**
- implement the April 1, 2001 business tax plan changes; implement the 2002 tax plan step subject to affordability **(FINANCE, REVENUE)**
- work with industry to attract domestic and international investment **(AEDA, AFRD, ED, IIR, IS, SRD)**
- support the expansion of Alberta's tourism industry and promotion of Alberta as a world-renowned tourism destination **(AEDA, CD, ED)**
- improve the ability of start-up and early stage companies to access the capital they need to get their businesses up and running **(AEDA, AFRD, ED, IS)**
- remove barriers to national and international trade and investment so Alberta businesses can compete in new markets **(AFRD, ED, IIR)**

**CORE MEASURES:**

### GROSS DOMESTIC PRODUCT

**DESCRIPTION** Long term growth rate of the Alberta economy as measured by the three year average growth rate of provincial Gross Domestic Product.

**TARGET** Three year annual average GDP growth rate of 4 to 6%.

### JOB GROWTH

**DESCRIPTION** Net number of jobs created in Alberta on an annual average basis.

**TARGET** 295,000 new jobs in the 6 years ending December 2005.

# goal 8 Our workforce will be skilled and productive

**KEY STRATEGIES:**

- improve Albertans' ability to enter the workforce and keep pace with changing skill needs **(AEDA, AFRD, ED, HRE, LEARN, PAO)**
- maintain a balanced long-term program of science and engineering research through the Alberta Heritage Foundation for Science and Engineering Research **(IS)**
- remove barriers that prevent people from moving easily from job to job or place to place in order to work **(AAND, AEDA, ED, HRE, IIR, LEARN, PAO, TRANS)**
- build a strong Alberta public service through continued implementation of the Corporate Human Resource Development Strategy **(PAO, all ministries)**
- improve the knowledge and skills of Alberta youth, particularly as they relate to employability and the transitions between learning and work **(AFRD, CD, HRE, LEARN)**
- strengthen connections between school and workplace learning **(AFRD, CD, HRE, LEARN)**
- expand training opportunities in information technology, communications, education and health **(LEARN)**

**CORE MEASURE:**

| | **SKILL DEVELOPMENT** |
|---|---|
| **DESCRIPTION** | Employer satisfaction with recent post-secondary graduates' skills. |
| **TARGET** | 90% of employers satisfied with recent post-secondary graduates' skills. |

# goal 9 Alberta businesses will be increasingly innovative

**KEY STRATEGIES:**

- expand Alberta's focus on research, knowledge and technology that results in viable commercial products, processes and services **(AFRD, ED, ENERGY, IS, SRD)**
- encourage the innovative application of new technologies by resource-based industries to sustain future competitiveness and resource bases **(AEDA, AFRD, ED, ENERGY, IS, SRD)**
- encourage the development of private sector laboratories for food production and processing **(AFRD, ED, IS)**

**CORE MEASURE:**

**BUSINESS INNOVATION**

| | |
|---|---|
| **DESCRIPTION** | Alberta business use of the Internet to sell goods and services. |
| **TARGET** | Alberta business use of the Internet will account for an increasing percentage of economic activity. |

# goal 10 Alberta's value-added industries will lead economic growth

**KEY STRATEGIES:**

- use technology in targeted sectors to expand Alberta's value-added industries **(AEDA, AFRD, ED, ENERGY, IS, SRD)**
- expand Alberta's economy by defining and taking action on key science and technology priorities **(ED, ENERGY, IS, SRD)**
- expand in-Alberta opportunities for secondary processing of renewable and non-renewable resources **(AEDA, AFRD, ED, ENERGY, IIR, SRD)**
- facilitate the growth of value-added industries, especially in the agri-food, energy and forestry sectors **(AAND, AFRD, ED, ENERGY, IIR, IS, SRD)**

**CORE MEASURE:**

| | **VALUE-ADDED INDUSTRIES** |
|---|---|
| **DESCRIPTION** | Percentage of provincial GDP contributed by the manufacturing and knowledge-intensive service industries as proxies for value-added industries in Alberta. |
| **TARGET** | Alberta's value-added industries will account for an increasing percentage of Provincial GDP. |

# goal 11 Alberta will have effective and efficient infrastructure

**KEY STRATEGIES:**

- implement initiatives to ensure effective and innovative capital planning and funding of government supported infrastructure through the government-wide capital planning initiative **(FINANCE, INFRA, TRANS, all ministries)**
- promote cooperative initiatives among business and industry, government and municipalities to address the need for infrastructure development **(AAND, AEDA, CD, ED, GAMING, INFRA, MA)**
- facilitate trade by improving key highway routes, including the North-South Trade Corridor **(IIR, TRANS)**
- work with local governments to strengthen rural and urban transportation partnerships and ensure that Alberta has a safe and efficient system of roads **(MA, TRANS)**
- complete restructuring of Alberta's electric industry and manage the transition to a deregulated market **(ENERGY)**
- protect Alberta's multi-billion dollar investment in physical infrastructure for educational institutions, health care, seniors' and social housing, irrigation, water management and other government programs through appropriate maintenance and upgrading **(AFRD, CD, ENV, HW, INFRA, LEARN, MA, SENIORS, SRD, TRANS)**
- develop a high speed, provincial technology network that will ensure high speed Internet and wide-area network availability so that all Albertans can access provincial government services **(GS, LEARN, HW, IS, all ministries)**
- develop and implement advanced telecommunications, infrastructure management, and information management systems for improved communications and service delivery **(CD, GS, HW, INFRA, IS)**

**CORE MEASURE:**

### INFRASTRUCTURE CAPACITY

**DESCRIPTION** Sufficiency of Alberta's infrastructure system as measured by the quality of Alberta's highways, the utilization rate of our export gas pipelines and the level of sponsored research at Alberta's universities.

**TARGET** 95% of rural sections of the National Highway System at level of service B or better upon completion of the North-South Trade Corridor; export gas pipeline capacity will exceed demand; continue to increase industry and non-profit sponsored research.

## goal 12 Alberta will have a financially stable, open and accountable government

**KEY STRATEGIES:**

- continue to implement current fiscal policies of balancing the budget, orderly paydown of debt, low taxes, targeted spending and capital planning **(FINANCE)**
- eliminate unnecessary regulations **(all ministries)**
- provide regular reports to Albertans on government goals, as well as financial and non-financial performance results **(all ministries)**
- provide efficient management of government resources and communications **(FINANCE, INFRA, IS, PAB, PAO, all ministries)**
- improve the efficiency and cost effectiveness of Alberta government administrative services through the Alberta Corporate Service Centre initiative **(all ministries)**
- improve Albertans' access to government information and services through the Alberta One-Window Gateway **(GS, all ministries)**
- meet Albertans' requested needs for more information on government programs and services, and make it easier for them to give their feedback and opinions **(all ministries)**

**CORE MEASURES:**

### TAXATION LOAD

| | |
|---|---|
| **DESCRIPTION** | Alberta's provincial taxation load on persons and business relative to the provincial average. |
| **TARGET** | Maintain the lowest tax load on persons and business among the provinces. |

### PROVINCIAL CREDIT RATING

| | |
|---|---|
| **DESCRIPTION** | Alberta's blended credit rating for domestic debt relative to the other provinces. |
| **TARGET** | The highest blended credit rating for domestic debt among the provinces. |

### ACCUMULATED DEBT

| | |
|---|---|
| **DESCRIPTION** | Alberta's accumulated debt, which is the sum of the outstanding consolidated debt of the General Revenue Fund, the debt of the Alberta Social Housing Corporation and the government's liability for school construction. |
| **TARGET** | Reduce the March 31, 2000 accumulated debt by at least 13% by 2004-05 and eliminate it no later than 2024-25. |

### COST OF GOVERNMENT

| | |
|---|---|
| **DESCRIPTION** | Alberta government expenditures per capita as a percentage of the other nine provinces. |
| **TARGET** | Remain 5% below the average per capita government expenditure of the other nine provinces. |

# goal 13 Alberta will have a fair and safe work environment

**KEY STRATEGIES:**

- promote high standards in the workplace for labour relations and workplace health and safety (HRE, PAO)
- support community organizations undertaking educational initiatives that promote fairness and access, and that increase understanding and appreciation of the benefits of Alberta's growing diversity (CD)

**CORE MEASURE:**

## WORKPLACE CLIMATE

**DESCRIPTION** Alberta's provincial ranking of the number of person-days lost due to work stoppages and due to injury and disease, per 10,000 person-days worked.

**TARGET** The rate of person-days lost to work stoppages, and injury and disease will be among the three lowest of all the provinces.

# goal 14 Alberta businesses will increase exports

**KEY STRATEGIES:**

- implement Alberta's International Marketing Strategy to focus trade and investment efforts in targeted regions and industries **(AFRD, ED, ENERGY, IIR, IS, LEARN, SRD)**
- improve Alberta's ability to compete and do business in global markets by expanding Albertans' understanding of world languages and cultures **(AEDA, ED, IIR, LEARN)**
- provide Alberta businesses with information/intelligence to identify emerging opportunities and enhance market access **(AFRD, ED)**
- coordinate Alberta's participation in strategic international relationships and agreements with key trading partners **(ED, IIR)**

**CORE MEASURE:**

| | **EXPORT TRADE** |
|---|---|
| **DESCRIPTION** | Alberta's international value-added exports, measured in current dollars. |
| **TARGET** | Increase international value-added exports to $28.5 billion by the year 2004. |

core business

# *Preservation ...*

# goal 15 Alberta will be a safe place to live and raise families

**KEY STRATEGIES:**

- protect human rights for all Albertans through the resolution of complaints made under the *Human Rights, Citizenship and Multiculturalism Act* (CD)
- augment crime prevention initiatives and review all aspects of policing (SG)
- enhance services for victims of crime (SG)
- expand youth justice initiatives including the *Alternative Measures Program* and *Intensive Support and Supervision Program* as alternatives to traditional justice sanctions (SG)
- build capacity in schools and communities to provide safe and caring environments (CS, HW, LEARN)
- improve support for families through family law reform (CS, HRE, JUS)
- investigate marketplace practices and take appropriate enforcement actions to ensure compliance with the *Fair Trading Act* (GS)
- partner with government, consumer groups, business associations and the media to increase marketplace awareness and education (GS)
- improve traffic safety through driver education, road safety awareness and motor carrier compliance (TRANS)
- assist municipalities in preparing for emergencies and responding to major disasters (ENV, MA, SRD)

**CORE MEASURE:**

| | **CRIME RATE** |
|---|---|
| **DESCRIPTION** | Alberta's violent and property crime rates expressed as a percentage of the national rate. |
| **TARGET** | Reduce Alberta's crime rates below the national rates by 2005. |

# goal 16 Alberta's renewable natural resources will be sustained

## KEY STRATEGIES:

- provide clear, effective direction and guidelines for the use, management, regulation and development of Alberta's renewable resources **(AFRD, ENERGY, ENV, SRD)**
- reduce the impact of natural hazards such as fire, pests, drought and floods on property, people, and resources **(AFRD, ENV, SRD)**
- implement a long-term, environmentally-sustainable approach to agriculture and forest industry development that supports stable economic growth **(AFRD, SRD)**

## CORE MEASURES:

### RENEWABLE RESOURCE SUSTAINABILITY

| | |
|---|---|
| **DESCRIPTION** | Timber sustainability compares the annual timber harvests with the long-term sustainable annual allowable cut. Land quality measures the annual provincial crop yield per acre converted to a standard base of tonnes per acre of wheat. |
| **TARGET** | Keep timber harvests at or below the annual allowable cut. Achieve sustainable crop yields of 0.92 tonnes per acre by 2004. |

# goal 17 The high quality of Alberta's environment will be maintained

**KEY STRATEGIES:**

- ensure standards are acceptable to maintain the quality of air, land, water and ecosystems **(ENV, SRD, TRANS)**
- ensure public accountability for environmental management by clearly defining roles and responsibilities of federal and provincial governments, as well as industry **(AEDA, ENERGY, ENV, IIR, SRD)**
- provide predictable, consistent, and streamlined regulations for land use and resource management **(AEDA, AFRD, ENERGY, ENV, SRD)**
- maintain current levels of public safety, resources, conservation and environmental protection through effective environmental monitoring and enforcement programs **(AFRD, ENERGY, ENV, MA, SRD)**
- reduce Alberta's greenhouse gas emissions by developing climate change policies and programs while maintaining Alberta's economic advantage **(ENV)**

**CORE MEASURES:**

| | |
|---|---|
| | **AIR QUALITY** |
| **DESCRIPTION** | Index of outdoor concentrations of five major air pollutants monitored at eight stations across the province. |
| **TARGET** | Maintain air quality levels that are considered 'good' or 'fair' at all times. |
| | **WATER QUALITY** |
| **DESCRIPTION** | Index of four variable components (metals, nutrients, bacteria, and pesticides) tested monthly at two locations for each of the province's six major river systems. |
| **TARGET** | Bring river water quality downstream of developed areas in line with upstream conditions, while maintaining overall river water quality. |
| | **LAND QUALITY** |
| **DESCRIPTION** | Measure of the annual provincial crop yield per acre converted to a standard base of tonnes per acre of wheat. |
| **TARGET** | Achieve sustainable crop yields of 0.92 tonnes per acre by the year 2004. |

# goal 18 Albertans will have the opportunity to enjoy the province's natural, historical and cultural resources

**KEY STRATEGIES:**

- support and encourage the development of sport and recreation, arts, libraries and culture as essential characteristics in Alberta's quality of life **(CD, GAMING)**
- preserve, protect and present Alberta's unique history and culture through programs, exhibits, historic sites and museums and interpretive centres **(CD)**
- coordinate and support a province-wide library system and continue the development and long-term sustainability of the Alberta Public Library Electronic Network **(CD)**
- protect and manage Alberta's parks and protected areas **(CD, SRD)**
- improve Albertans' understanding of their environment **(CD, ENV, SRD)**
- provide Albertans with opportunities to contribute to environmental protection and natural resource management **(ENV, SRD)**

**CORE MEASURE:**

## HERITAGE APPRECIATION

| | |
|---|---|
| **DESCRIPTION** | Reports annual visitations to provincial parks and recreation areas and to provincially-owned historic sites, museums and interpretive centres. |
| **TARGET** | 1.1 million visitors per year to provincially-owned historic sites, museums and interpretive centres, and 8 million visitors per year to provincial parks and recreation areas. |

# goal 19 Alberta will work with other governments and maintain its strong position in Canada

**KEY STRATEGIES:**

- improve fiscal arrangements to ensure that federal revenues are shared fairly among the provinces **(FINANCE, IIR)**
- ensure Alberta's interests are represented and protected in key federal programs and initiatives, and interprovincial and international negotiations **(IIR)**
- work in partnership with local governments to promote healthy and sustainable communities throughout Alberta **(CD, ED, MA, GAMING)**
- continue to promote a strong and united Canada **(all ministries)**

**CORE MEASURE:**

**INTERGOVERNMENTAL RELATIONS**

**DESCRIPTION** Results of national opinion poll surveying the views of Canadians regarding the performance of their provincial and federal governments in various areas of governance.

**TARGET** Maintain the Alberta government's public approval rating in federal-provincial relations equivalent to the average approval rating of the four nearest provinces.

The next four pages present the four priority cross ministry initiatives the government has chosen to highlight in the 2001-04 Government Business Plan.

These types of initiatives require a corporate focus in order to be addressed effectively.

## 2001-02 CROSS MINISTRY INITIATIVE

### Aboriginal Policy Initiative (API)

**Purpose:** Work with Aboriginal people, federal and municipal governments, industry and other interested parties to improve the well-being and self-reliance of Aboriginal people and clarify federal, provincial and Aboriginal roles and responsibilities.

**Related Government Business Plan Goal:**

Goal 6 – The well-being and self-reliance of Aboriginal people will be comparable to that of other Albertans.

**Ministry Champions:**

Alberta Aboriginal Affairs and Northern Development and Alberta Justice

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**Objective:** **Improve the health status and well-being of Aboriginal people.**

**Strategies:**

- Increase the number of community-based primary health and addictions service programs in Metis Settlements and other under-serviced (e.g., remote) Aboriginal communities.
- Increase the percentage of Aboriginal children in care residing in stable long-term arrangements.
- Implement standards for adequate and effective policing services as per the approved implementation plan.
- Increase the number of Aboriginal communities that are served by community initiatives in partnership with Alberta Justice.
- Maintain the number of Aboriginal communities involved in partnerships related to the administration of the Safety Codes Act.
- Increase the number of Aboriginal learners receiving the Aboriginal health careers bursaries.
- Increase the percentage of Aboriginal staff in each Child & Family Service Authority (CFSA) towards the percentage of Aboriginal people in the CFSA population.
- Increase the percentage of Aboriginal children and families receiving culturally appropriate services through their CFSA.

**Targets:**

- By 2010, reduce by one year, the difference in life expectancy of Registered Indians in Alberta and all Albertans.
- Decrease the number of tuberculosis cases among Registered Indians in Alberta.
- Decrease infant mortality among Registered Indians in Alberta.
- Decrease the percentage of both low birth weight and high birth weight babies born to Registered Indian parents in Alberta.
- Improve the identification of diabetes among Registered Indians in Alberta and decrease the complications arising from the disease (blindness, amputation and renal failure).
- Increase by 10% the number of new Child Welfare agreements or formal innovative arrangements with First Nations.
- 75% of all new CFSA Boards will have Aboriginal Board representation proportional to or greater than the regional Aboriginal population.
- Provide Aboriginal cultural awareness training to 370 Alberta Justice and Alberta Solicitor General staff by March 31, 2002.

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**Objective:** **Improve the educational attainment of Aboriginal learners.**

**Strategies:**

- Increase the level of educational attainment of Aboriginal students attending provincially supported primary, secondary and post-secondary institutions in Alberta.
- Increase the academic performance of Aboriginal students attending provincially supported primary, secondary and post-secondary educational institutions in Alberta.
- Add to the number and community scope of regulations drafted pursuant to the First Nations Sacred Ceremonial Objects Repatriation Act.
- Increase First Nations access to ethnology collections containing sacred ceremonial objects and other artifacts through improved artifact storage systems, more comprehensive cataloguing, and use of appropriate data base records for collection.

**Targets:**

- By 2010, the percentage of Aboriginal learners 15 years of age or older with high school completion will be 60% and 30% with post-secondary completion (comparable 1996 percentages were 52.2 and 24.9, respectively).
- Increase the percentage of Aboriginal students (students with Registered Indian Status attending Alberta school jurisdictions under tuition agreements) achieving the Acceptable Standard on Grade 3, 6 and 9 Achievements Tests by 1% above the last three-year average.
- Complete consultations with Aboriginal communities, school jurisdictions and post-secondary institutions and have agreements for implementing a unique Aboriginal student identifier in place by March 31, 2002.
- The number of Aboriginal students attending post-secondary institutions (Northern Lakes and Keyano colleges and the Universities of Alberta and Lethbridge). Data for 2001-02 forms the baseline.
- The number of eligible Aboriginal students applying for awards and bursaries for post-secondary studies (Aboriginal Heath Care Bursaries, Alberta Blue Cross Scholarships for Aboriginal Students, Theodore R. Campbell Scholarship, and Robert C. Carson Memorial Bursary). Data for 2001-02 forms the baseline.

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**Objective:** **Increase the participation by Aboriginal people in the Alberta economy.**

**Strategies:**

- Work with Aboriginal clients in Alberta Human Resources and Employment (AHRE) employment/training programs to help them achieve the same levels of skill improvement as other Albertans.
- Work with Aboriginal clients in AHRE employment/training programs to help them achieve employment outcomes comparable to other Albertans.
- Maintain the number and dollar value of existing Aboriginal fire fighting contracts, and actively work with Aboriginal groups to increase their capacity for additional contracts.
- Increase the per cent of Transportation contracts on Aboriginal lands that include an Aboriginal content clause for the supply of labour, equipment, or material resource supply.
- Initiate new Natural Resource Initiative pilot projects.
- Evaluate at least three (3) pilot projects with Aboriginal organizations and industry to develop consultation strategies with respect to development on Crown land.
- Minimize the number of non-routine wellsite approvals within pilot consultation area.
- Work with Aboriginal communities, industry and other parties to develop an Aboriginal Capacity Building Strategy as outlined in the Aboriginal Policy Framework.

**Targets:**

- By 2010, the difference in employment rates of Aboriginal Albertans and other Albertans will be less than 10 percentage points.
- 80% of Aboriginal participants in Alberta Human Resources and Employment employment/training programs will obtain an improved skill level.
- Alberta Finance will work with Statistics Canada to develop baseline data for 2001 and Aboriginal-specific Labour Force Survey data for 2002.

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**Objective:** **Clarify federal/provincial/Aboriginal roles and responsibilities.**

**Strategies:**

- Implement a federal/provincial/Aboriginal partnership forum to coordinate action on partnership projects.
- Take coordinated action on federal/provincial/Aboriginal partnership projects.

**Target:**

- Develop baseline data respecting satisfaction with federal/provincial/Aboriginal partnership activities as measured by partnership surveys.

## 2001-02 CROSS MINISTRY INITIATIVE

### Economic Development Strategy

**Purpose:** A future of boundless opportunity in a province that's unmatched through ministries working together with business, industry, communities, other governments and public institutions, employees and other stakeholders.

**Related Government Business Plan Goals:**
Goal 7 – Alberta will have a prosperous economy.

**Ministry Champions:**
Economic Development, Innovation and Science and Learning

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**Objective:** **Continue to implement Alberta's economic strategy as outlined in "Get Ready Alberta".**
**Target:** A summary report on progress to date in implementing Alberta's economic strategy.

***Priority Areas:***

***Unleashing Innovation***

**Strategies:**
- Expand leading edge research and development in the province.
- Create an innovation and science culture, starting with Alberta's young people.
- Develop a highly qualified workforce to support innovation and science.
- Encourage the innovative application of new technologies to resource-based industries to sustain future competitiveness.
- Expand the manufacture and export of value-added products and services as a proportion of Alberta's overall economy and exports.
- Expand the knowledge-based economy including the information and communications technology industry.
- Develop the information and telecommunications infrastructure.
- Minimize barriers to business innovation.

**Targets01-02:**
- % of learning institutions connected to a high-speed network: Kindergarten to Grade 12 – 30%; College/University – 20%.
- Employment growth in the information and communication technology (ICT) sector: 5000 new jobs.
- Level of investment in Research and Development: $1.2 billion.

***Leading in Learning***

**Strategies:**
- Provide Albertans with the best education system in Canada.
- Ensure that pre-school children get a healthy start in life and a chance to grow learn and succeed.
- Provide opportunities for Albertans to develop their skills, abilities and talents anytime, anywhere.
- Attract and retain the best and brightest people.
- Expand opportunities for people to re-enter the workforce.

**Targets01-02:**
- % of Albertans participating in post-secondary education: 33%.
- High school completion rate: 71%.
- % of high school and post-secondary students enrolled in a second language: 25%
- % of participants in employment training who indicate they obtained an improved education or skill level: 80%

***Competing in a Global Market place***

**Strategies:**
- Maintain a competitive tax advantage and promote a positive business climate that stimulates and attracts investment activity.
- Promote an integrated resource management strategy.
- Develop and promote international trade and market opportunities.
- Maintain and enhance Alberta's infrastructure.

**Targets01-02:**
- New jobs: 45,000
- Reduce accumulated debt (net of cash set aside for future debt repayments) to $6.5 billion by March 31, 2002.
- Value-added international exports: $22.4 billion.
- Four-laning of North-South trade corridor (BC border west of Grande Prairie to Coutts): 73% complete.

***Making Alberta the best place to live, work and visit***

**Strategies:**
- Alberta will be a leader in innovative approaches to wildlife and parks protection.
- Maintain strong and viable communities.
- Sustain a quality health system.
- Promote the diversity and excitement of Alberta's culture, arts, sports and festivals.
- Promote and encourage volunteerism in Albertans.
- Partner with Alberta's tourism industry to deliver marketing programs and support services.
- Alberta will be a leader in managing climate change issues.

**Targets01-02:**
- Tourism revenues: $4.5 billion
- % of Albertans rating their health status as excellent or very good: continues to exceed the national average.
- Municipalities connected to the Internet and community network: 97%.
- Workplace safety: Person days lost due to workplace injury and illness continues to be ranked among the three lowest provinces in Canada.
- Crime Rate - The gap between Alberta police reported crime rate and national rate per 100,000 population reduced by 3%.

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**Objective:** **A broadly based, versatile economy.**
**Strategy:** – Further expand Alberta's value-added sectors.
**Target01-02:** – Increase the proportion of employment in Alberta's value-added manufacturing and business services to 16% of total employment.

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**Objective:** **A collaborative approach to regional economic development that builds on regional goals, priorities and strengths.**
**Strategy:** – Develop a collaborative framework to assist regions to identify and pursue regional economic opportunities.
**Target:** – Under development.

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**Objective:** **Sufficient supply of skilled labour to meet Alberta's economic growth.**
**Strategy:** – Develop a strategy to ensure sufficient supply of skilled labour to support Alberta's economic growth.
**Target:** – Under development

## 2001-02 CROSS MINISTRY INITIATIVE

### Seniors Policy Initiative

**Purpose:** To strengthen the coordination of provincial government programs and services to ensure they continue to meet the needs of current and future seniors.

**Related Government Business Plan Goals:**

Goal 1 - Albertans will be healthy.
Goal 4 - Albertans will be independent.
Goal 5 - Albertans unable to provide for their basic needs will receive help.

**Ministry Champions:**

Seniors and Health & Wellness

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**Objective:** **Develop seniors initiative strategic framework and 10-year action plan.**

**Strategies:**

- Establish several levels of cross ministry committees to develop framework and action plan (January 2001).
- Review current services and programs in relation to the aging population. Review recent government reports and studies, such as ALBERTA FOR ALL AGES: Directions for the Future. Involve seniors and other stakeholders in the development process, as appropriate. (February to October 2001).
- Focus on the following outcomes:
  - Seniors are healthier to a more advanced age (e.g., promote wellness, healthy lifestyles, and good health care, including access to integrated health care services).
  - Seniors are increasingly financially independent (e.g., promote retirement planning).
  - Seniors have more choices about work and retirement (e.g., promote supports for mature workers, such as flexible options for the transition from work to retirement).
  - Seniors have more housing choices and supports to remain living independently in their communities (e.g., support aging in place, and encourage safe and affordable supportive housing options).
  - Communities are increasingly supportive of seniors (e.g., encourage community supports in areas such as urban/rural design; transportation; personal safety; consumer protection; elder abuse; and recreational, social and cultural programming).
  - Informal caregivers and volunteers are given greater recognition and support (e.g., explore options for caregivers such as tax credits, in-home assistance, expanded respite care, and employment leaves).
  - Alberta's workforce is prepared to meet the challenges and opportunities of an aging population (e.g., ensure sufficient numbers of trained people are available to meet the needs of seniors).
  - Lifelong learning increases among all age groups (e.g., expand opportunities for education). (February to October 2001).
- Draft framework and specific initiatives for action in the short-, medium-, and long-term (October 2001). Seek appropriate approvals for framework and action plan, including Cabinet approval. (November/December 2001).
- Finalize framework and 10-year action plan (January 2002).

**Target:** Initiatives from the action plan are included in ministry business plans, beginning in 2002-05.

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**Objective:** **Establish performance measures and baselines for monitoring progress in the Seniors Policy Initiative.**

**Strategies:**

- Develop performance measures, including measures to assess outcomes in the focal areas of seniors' health, financial independence, workforce and employment, housing, community supports and care giving, and lifelong learning.
- Identify data sources, collect and collate date, and build databases.
- Establish baseline measures.
- Set targets (January 2002).

**Target:** Baseline measures and targets established by January 2002.

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**Objective:** **Report annually to Albertans on the progress made in implementing the cross ministry Seniors Policy Initiative.**

**Strategies:**

- Report progress in implementing initiatives each year in ministry annual reports (First report: July 2003).
- Prepare annually a cross ministry summary report to Albertans on the Seniors Policy Initiative, which includes a report on outcomes based on performance measures and targets.

**Target:** First Seniors Initiative performance report published on the progress made in 2001-2002 (July 2002).

# 2001-02 CROSS MINISTRY INITIATIVE

## Children and Youth Services Initiative (CYSI)

**Purpose:** Support the healthy development of Alberta's children and youth through the joint efforts of provincial government ministries, local boards and authorities, families and communities.

**Related Government Business Plan Goals:**

Goal 2 – Our children will be well cared for, safe, successful at learning and healthy.
Goal 3 – Alberta students will excel.
Goal 5 – Albertans unable to provide for their basic needs will receive help.
Goal 6 – The well being and self-reliance of Aboriginal people will be comparable to that of other Albertans.
Goal 15 – Alberta will be a safe place to live and raise families.

**Ministry Champions:**

Alberta Children's Services and Alberta Learning

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**Objective:** **Establish new initiatives and strengthen existing initiatives to improve supports and resources for children, youth and families in areas identified as priorities.**

***Priority Areas:***

***Fetal Alcohol Syndrome (FAS) – Prevention and enhanced community capacity.***

**Strategies:**
- Increase number of programs available for women at high risk to give birth to a child with FAS.
- Increase number of high risk women accessing FAS mentoring programs.
- Increase number of professionals across sectors trained in FAS awareness and management.

**Target:**
- Increase number of high risk women accessing FAS mentoring programs by 12%.

***Protection of Children Involved In Prostitution (PChIP) - Coordinated services.***

**Strategy:**
- Increase the number of children apprehended under PChIP who subsequently enter into a voluntary service agreement.

**Target:**
- 5% increase in the number of children apprehended under PChIP who subsequently enter into a voluntary service agreement.

***Student Health Initiative – Integrated health and related support services for students.***

**Strategies:**
- Increase number of students that receive student health services in each service category.
- Increase teachers' satisfaction with the initiative with respect to (i) improved access, range and coordination of services, and (ii) enabling children with special health needs to participate at school to attain their potential and be successful at learning.

**Target:**
- 75% of student health partnerships meet/exceed their targets in the number of students served in each eligible service category.
- Baseline data regarding teachers' satisfaction to be developed.

***Children's Mental Health – Comprehensive system of mental health services.***

**Strategies:**
- Develop provincial integrated draft policy framework.
- Improve stakeholders' satisfaction with improved access and coordination of mental health services to (i) children in care; (ii) children and youth with complex needs; (iii) transitional youth; and (iv) young offenders.
- Increase range of mental health services available to children, youth and families.

**Target:**
- Provincial integrated draft policy framework in place by November 2001.

***Specialized Youth Substance Abuse – Enhancements to AADAC's substance abuse system for youth at risk.***

**Strategies:**
- Increase stakeholders reported access to services for youth at risk of substance abuse.
- Attain high level of target group members' reported awareness of services for youth at risk of substance abuse.

**Target:**
- 65% of Alberta adolescents will be aware of AADAC's services for youth.

***Early Childhood Development Initiatives - Development and enhancement of early childhood development programs.***

**Strategies:**
- Develop Alberta's early childhood development strategy including policy framework, first year investments, implementation strategy and baseline.

**Target:**
- Develop policy framework for early childhood development by May 2001. Identify first year early childhood development investments by May 2001. Develop implementation strategy of initiatives by June 2001. Develop baseline of current early childhood development initiatives and investments by September 2001.

---

**Objective:** **Establish an operational environment within government and community that supports integrated delivery of services for children and youth.**

**Strategies:**
- Increase joint planning, shared vision and common goals of Children and Youth Services Initiative (CYSI) priorities.
- Increase number of partnering ministries that include children and youth initiatives in their business plans.
- Create partnerships linking the corporate or voluntary sectors with the CYSI.

**Targets:**
- 100% of CYSI priorities involve joint planning, shared vision and common goals.
- 100% of partnering ministries include children and youth initiatives in their business plans.
- A minimum of two partnerships with the corporate or voluntary sectors linked with CYSI.

---

**Objective:** **Increase accountability and strengthen government's policy framework and direction to support children, youth and families.**

**Strategies:**
- Complete outcome evaluations on four key initiatives.
- Consult with stakeholders and other jurisdictions through conferences and forums.
- Identify linkages and processes between the CYSI and the Aboriginal Policy Initiative.
- Develop strategic coordinated plan to guide communication strategies on services to children and youth.

**Targets:**
- Release annual status report on Alberta's children in January 2002.
- Put in place a provincially integrated policy framework to address transitional issues facing youth, ensuring linkages with the Youth Secretariat, Persons with Developmental Disabilities Program, Get Ready Alberta, People and Prosperity Initiative, Alberta Youth Employment Strategy, Children's Mental Health Initiative, and the Aboriginal Policy Initiative by September 2001.

### APPENDIX III

# Related Key Ministry Performance Measures

Each ministry has a set of key performance measures that track the results achieved in ministry programs and services. This appendix lists the ministry key measures that most closely support the government goals outlined in the Government Business Plan, to provide more detail on the results reported in Measuring Up. The results for these related key measures are reported in the ministry annual reports that are released each fall.

*People*

| Government Goals & Core Measures | Related Key Ministry Measures |
|---|---|
| ***Goal 1 - Albertans will be healthy.*** | |
| • **Life Expectancy at Birth**<br>• **Health Status** | • Ratings of ease of access to health services (HW)<br>• Ratings of the quality of care received (HW)<br>• Mortality rates for injury and suicide (HW)<br>• Screening rate for breast cancer (HW)<br>• Percentage of adult Albertans participating in sport and recreational activities (CD) |
| ***Goal 2 - Our children will be well cared for, safe, successful at learning and healthy.*** | |
| • **Well-Being of Children** | • Percentage of children who stay free of abuse or neglect while receiving child protection services (CS)<br>• Percentage of survey respondents who access selected Ministry services that indicate that they participated in decisions that affect them (CS)<br>• Childhood immunization coverage rates (HW)<br>• Readiness to learn (under development) (LEARN)<br>• Percentage of students who achieved standards on grades 3, 6 and 9 Provincial Achievement Tests (LEARN)<br>• Diploma examination results of students who achieved the acceptable standard and the standard of excellence (LEARN) |

Abbreviations for Ministries:

| | |
|---|---|
| AAND | Aboriginal Affairs and Northern Development |
| AFRD | Agriculture, Food and Rural Development |
| CS | Children's Services |
| CD | Community Development |
| ED | Economic Development |
| ENERGY | Energy |
| ENV | Environment |
| EC | Executive Council |
| FINANCE | Finance |
| GAMING | Gaming |
| GS | Government Services |
| HW | Health and Wellness |
| HRE | Human Resources and Employment |
| INFRA | Infrastructure |
| IS | Innovation and Science |
| IIR | International and Intergovernmental Relations |
| JUS | Justice and Attorney General |
| LEARN | Learning |
| MA | Municipal Affairs |
| REVENUE | Revenue |
| SENIORS | Seniors |
| SG | Solicitor General |
| SRD | Sustainable Resource Development |
| TRANS | Transportation |

*People – continued*

| Government Goals & Core Measures | Related Key Ministry Measures |
|---|---|
| ***Goal 3 - Alberta students will excel.*** | |
| • **Educational Attainment**<br>• **Literacy and Numeracy Levels** | • Percentage of students who achieved standards on grades 3, 6 and 9 Provincial Achievement Tests (LEARN)<br>• Diploma examination results of students who achieved the acceptable standard and the standard of excellence (LEARN)<br>• Public satisfaction with overall quality of basic education (LEARN)<br>• Satisfaction of recent post-secondary graduates with the overall quality of their education (LEARN)<br>• High school completion rate (LEARN) |
| ***Goal 4 - Albertans will be independent.*** | |
| • **Economic Status of Albertans** | • Percentage of Albertans (age 17 and older) in credit and non-credit programs and courses (LEARN)<br>• Public satisfaction that adult learners are well prepared for life long learning (LEARN)<br>• Employment rates of Alberta post-secondary graduates (LEARN)<br>• Public satisfaction that learners are well prepared for citizenship (LEARN)<br>• Percentage of participants employed post-intervention (HRE)<br>• Satisfaction of individuals who have used key departmental programs (HRE) |

*People – continued*

| Government Goals & Core Measures | Related Key Ministry Measures |
|---|---|
| ***Goal 5 - Albertans unable to provide for their basic needs will receive help.*** | |
| • **Economic Status of Albertans** | • Satisfaction of seniors with information provided (SENIORS)<br>• Percentage of eligible seniors receiving the Alberta Seniors Benefit (SENIORS)<br>• Percentage of adult Albertans who believe human rights are fairly well or very well protected in Alberta (CD)<br>• Satisfaction of seniors housing clients with quality of accommodation and, where appropriate, services provided (SENIORS)<br>• Satisfaction of family and special purpose housing clients with quality of accommodation and, where appropriate, services provided (SENIORS)<br>• Relationship between clients receiving financial assistance and the Market Basket Measure (MBM) low income threshold (under development) (HRE) |
| ***Goal 6 – The well-being and self-reliance of Aboriginal people will be comparable to that of other Albertans.*** | |
| • **Aboriginal Well-Being** | • Percentage of Aboriginal children, in out-of-home placements, who maintain contact with families, relatives or communities where appropriate (CS)<br>• Percentage of Aboriginal children receiving foster care services from Aboriginal foster homes (CS)<br>• Percentage of Aboriginal board members in each Child and Family Services Authority relative to the percentage of Aboriginal people in the Child and Family Services Authority's population (CS)<br>• Two additional Natural Resource Initiatives completed in 2001-02 (ENERGY)<br>• Percent of objections resolved related to new facilities (ENERGY)<br>• Number of Alberta community initiatives that work in partnership with Alberta Solicitor General (SG) |

## *Prosperity*

| Government Goals & Core Measures | Related Key Ministry Measures |
|---|---|
| ***Goal 7 - Alberta will have a prosperous economy.*** | |
| • **Gross Domestic Product**<br>• **Job Growth** | • Real GDP growth (ED)<br>• Contribution of Alberta's agriculture, food and beverage industries to provincial GDP (AFRD)<br>• Farm cash receipts (AFRD)<br>• Employment growth (ED)<br>• Alberta employment in agriculture and food and beverage industries (AFRD)<br>• Employment participation rates (FIN)<br>• Percentage annual growth in business registrations (FIN,REV) |
| ***Goal 8 – Alberta's workforce will be skilled and productive.*** | |
| • **Skill Development** | • Employment rates of post-secondary graduates (LEARN) |
| ***Goal 9 – Alberta businesses will be increasingly innovative.*** | |
| • **Business Innovation** | • Number of people employed in the Information and Communications Technology sector (IS) |
| ***Goal 10 – Alberta's value added industries will lead economic growth.*** | |
| • **Value-Added Industries** | • Manufacturing shipments (ED)<br>• Manufacturing and service industry investment (ED)<br>• Percentage contribution by Alberta's food and beverage industry to Canada's total value of shipments (AFRD)<br>• Volume of primary resources that undergo secondary processing in Alberta (RD) |

*Prosperity – continued*

| Government Goals & Core Measures | Related Key Ministry Measures |
|---|---|
| ***Goal 11 – Alberta will have effective and efficient infrastructure.*** | |
| • **Infrastructure Capacity** | • Construction progress on the North-South Trade Corridor (TRANS)<br>• Physical condition of provincial highways (TRANS)<br>• Utilization of provincial highways (TRANS)<br>• Progress on completion of major water management construction projects (TRANS)<br>• Functional adequacy of provincial highways (TRANS)<br>• Senior's lodge upgrading projects completed (INFRA)<br>• Energy consumption per square metre (INFRA)<br>• Operating cost per square metre (INFRA)<br>• Natural gas pipeline capacity (ENERGY)<br>• New power generation (ENERGY) |
| ***Goal 12 – Alberta will have a financially stable, open and accountable government.*** | |
| • **Taxation Load**<br>• **Provincial Credit Rating**<br>• **Accumulated Debt**<br>• **Cost of Government** | • Alberta's credit rating (FIN)<br>• Total Tax Load as a percentage of GDP (FIN)<br>• Market value rate of return of the Heritage Fund compared against the province's total debt portfolio (REV)<br>• Total cost of debt (FIN)<br>• Alberta's cost of borrowing compared to federal government's cost (FIN)<br>• Taxation load on a family of four (FIN, REV)<br>• Public satisfaction with government information (EC)<br>• Percentage of FOIP requests received by government public bodies handled without complaint to the Information and Privacy Commissioner (GS)<br>• Comparison of Alberta fees to other Canadian jurisdictions (GS)<br>• Percentage of municipalities meeting the Ministry's criteria of financial sustainability (MA) |
| ***Goal 13 – Alberta will have a fair and safe work environment.*** | |
| • **Workplace Climate** | • Percentage of collective bargaining agreements settled without a work stoppage (strike or lockout) (HRE)<br>• Lost time claim rate (HRE)<br>• Number of employment standards complaints registered for investigation as a percentage of Alberta's eligible workforce (HRE) |

| *Prosperity – continued* | |
|---|---|
| **Government Goals & Core Measures** | **Related Key Ministry Measures** |
| ***Goal 14 – Alberta businesses will increase exports.*** | |
| • **Export Trade** | • Manufacturing and service exports (ED)<br>• Value of agriculture and food international exports (AFRD)<br>• Tourism industry revenue (ED)<br>• Alberta's share of Canadian international overnight visitors from Europe, Asia-Pacific and the United States (ED)<br>• Economic impact of provincial historic sites, museums and interpretive centres (CD) |

## *Preservation*

| Government Goals & Core Measures | Related Key Ministry Measures |
|---|---|
| ***Goal 15 - Alberta will be a safe place to live and raise families.*** | |
| • **Crime Rate** | • Public perception of safety in the home; in the neighbourhood (JUS, SG)<br>• Victimization rates (SG)<br>• Public satisfaction with the level of policing (SG)<br>• Percentage of Albertans who believe human rights are fairly well or very well protected in Alberta (CD)<br>• Incidence of food safety problems (AFRD)<br>• Mechanical safety of commercial vehicles (TRANS)<br>• Involvement of drinking drivers in casualty collisions (TRANS)<br>• Seat belt usage (TRANS)<br>• Reduction in personal and property loss due to preventable fires (MA) |
| ***Goal 16 - Alberta's renewable natural resources will be sustained.*** | |
| • **Renewable Resource Sustainability** | • Timber sustainability (SRD)<br>• Land productivity indicator (AFRD) |
| ***Goal 17 - The high quality of Alberta's environment will be maintained.*** | |
| • **Air Quality**<br>• **Water Quality**<br>• **Land Quality** | • Air quality index (ENV)<br>• Surface water quality index (ENV)<br>• Continuous reduction of municipal solid waste to landfills on a per capita basis (ENV)<br>• Water quality for agriculture (small streams) (AFRD)<br>• Biochemical oxygen demand discharged does not exceed 1.0 kilograms/air dried tonne of pulp (ENV)<br>• Land productivity indicator (AFRD)<br>• Percentage of species at serious risk below five percent (SRD) |

## *Preservation – continued*

| Government Goals & Core Measures | Related Key Ministry Measures |
|---|---|
| ***Goal 18 - Albertans will have the opportunity to enjoy the province's natural, historical and cultural resources.*** | |
| • **Heritage Appreciation** | • Visitation at 18 provincially-owned historic sites, museums and interpretive centres (CD)<br>• Percentage of adult Albertans who have visited an Alberta museum, historic site or interpretive centre (CD)<br>• Knowledge-gained assessment (of Alberta history) by visitors to provincial historic sites, museums and interpretative centres (CD)<br>• Satisfaction of visitors with experience at provincial historic sites, museums and interpretative centres (CD)<br>• Percentage of adult Albertans who believe that, overall, historical resources are being adequately protected and preserved in Alberta communities (CD)<br>• Percentage of adult Albertans participating in arts and cultural activities (CD)<br>• Visitation at provincial parks and provincial recreation areas (CD)<br>• Total area of parks and protected areas in Alberta (CD) |
| ***Goal 19 - Alberta will work with other governments and maintain its strong position in Canada.*** | |
| • **Intergovernmental Relations** | • Approval ratings: federal-provincial relations (IIR)<br>• Canada Health and Social Transfer receipts from the federal government (FINANCE)<br>• Agreement by Finance Ministers on legislative amendments to the *Canada Pension Plan Act* (FINANCE)<br>• Percentage of municipalities meeting the Ministry's criteria of financial sustainability (MA)<br>• Acceptance of harmonization initiatives by other provinces (FINANCE, REVENUE) |

## APPENDIX IV

# Cross-Ministry Initiatives

Each year, the government business plan focuses on four priority cross-ministry initiatives (see Appendix II for the *2001-04 Government Business Plan* cross-ministry initiatives). The 2001-02 initiatives are:

1. the Aboriginal Policy Initiative;
2. the Alberta Children and Youth Services Initiative;
3. the Economic Development Strategy, and
4. the Seniors Policy Initiative.

The cross-ministry initiatives engage people from various ministries in finding innovative and effective ways of addressing people's needs. This co-operative approach recognizes that many issues are not isolated to a single ministry.

This Appendix presents the government's progress in relation to the goals established for each initiative.

## ABORIGINAL POLICY INITIATIVE

The Aboriginal Policy Initiative (API) provides the Alberta government with a clear vision, goal, objectives, and strategies to work with Aboriginal people living in Alberta to address their needs and concerns. The API supports the Government Business Plan's Goal 6 and related strategies. The goal states that: "The well-being and self-reliance of Aboriginal people will be comparable to that of other Albertans."

The principal objective of the first year of the API was to develop and begin implementation of the Aboriginal Policy Framework, which outlined the Government of Alberta's approach to Aboriginal affairs. It was publicly released on September 13, 2000.

In the second year of the API (2001-02), the focus has been on accomplishing specific strategies and targets under four objectives. While Aboriginal Affairs and Northern Development has the lead responsibility in coordinating the API, all government ministries have been involved in the development of strategies and initiatives to support the four objectives. Over 80% of Government Ministries have identified Aboriginal strategies in their business plans for 2002-03.

These four API objectives are outlined for the 2001-02 fiscal year, along with the targets that were set and the results achieved.

Other significant accomplishments this year in support of the Aboriginal Policy Initiative include:

- Initiation of mobile diabetes screening clinics in First Nation communities.
- Pilot projects to unite First Nation children under government care with permanent First Nation adoptive parents.
- Removal of human remains from the Dunbow cemetery and re-interment at the St. Joseph's Industrial School Provincial Historic Site.
- Implementation of Phase I of the Alberta Aboriginal Apprenticeship Project.
- Implementation of Department/agency Aboriginal Strategic Plans in Children's Services, Human Resources and Employment, Alberta Alcohol and Drug Abuse Commission and the Alberta Mental Health Board.

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**PURPOSE:** Work with Aboriginal people, federal and municipal governments, industry and other interested parties to improve the well-being and self-reliance of Aboriginal people and clarify federal, provincial and Aboriginal roles and responsibilities.

**RELATED GOVERNMENT BUSINESS PLAN GOALS:**
Goal #6 - The well-being and self-reliance of Aboriginal people will be comparable to that of other Albertans.

**MINISTRY CHAMPIONS:** Alberta Aboriginal Affairs and Northern Development and Alberta Justice

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**OBJECTIVE:** **Improve the health status and well-being of Aboriginal people.**

| TARGET(S) | RESULT(S) |
|---|---|
| • Decrease the number of tuberculosis cases. | • The number of Aboriginal tuberculosis cases declined from 38 in 1999 to 28 in 2000. |
| • Decrease infant mortality. | • Baseline data is unavailable due to unreliability of current data sources. |

| | |
|---|---|
| • Decrease the percentage of low and high birth weight babies born to Registered Indian parents. | • The percentage of low birth weight babies born to Registered Indian parents declined from 5.4% in 1998-99 to 5.2% in 1999-00. The percentage of high birth weight babies increased among both First Nations parents and all births, largely due to the increased prevalence of diabetes. |
| • Improve identification of diabetes and decrease related complications. | • The age-standardized rate of diabetes prevalence among First Nations people increased from 7.5% in 1999 to 8.6% in 2000. The rate for the general population increased from 2.6% to 3.6%. Related complications are expected to decrease with improved and earlier identification. |
| • Increase by 10% the number of new Child Welfare agreements with First Nations. | • There was a 12.5% increase in the number of agreements during 2001-02. |
| • 75% of all new CFSA Boards will have proportional Aboriginal representation. | • 100% of CFSA Boards have met the target. All have at least 25% Aboriginal representation. |
| • Provide Aboriginal cultural awareness training to Alberta Justice / Solicitor General staff. | • Cultural awareness training was provided to 465 staff during 2001-02. |

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**OBJECTIVE:** **Improve the educational attainment of Aboriginal learners.**

| TARGET(S) | RESULT(S) |
|---|---|
| • Increase the % of Tuition Agreement students achieving the Acceptable Standard on Grade 3, 6, 9 Achievement Tests by 1%. | • Provincial Achievement Test results are not available for 2001-02. |
| • Complete consultations with Aboriginal communities, school jurisdictions and post-secondary institutions and have agreements for implementing data collection for Aboriginal students by March 31, 2002. | • Preliminary discussions have been held with First Nation and Metis organizations. Further progress on this target is expected during 2002-03. |
| • Develop baseline data: number of Aboriginal students attending selected post-secondary institutions. | • 2,500 Aboriginal students attended Northern Lakes and Keyano Colleges and the Universities of Alberta and Lethbridge during the 2001-02 school year (preliminary data). |
| • Develop baseline data: number of Aboriginal students applying for awards. | • 83 students applied and 63 received awards /bursaries during the 2001-02 school year (preliminary data). |

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**OBJECTIVE:** **Increase the participation by Aboriginal people in the Alberta economy.**

| TARGET(S) | RESULT(S) |
|---|---|
| • 80% of Aboriginal employment/training clients will obtain an improved skill level. | • 83% of Aboriginal clients reported an improved skill level upon completion of provincial training programs. |
| • Alberta Finance will work with Statistics Canada to develop baseline data for 2001 and Aboriginal-specific Labour Force Survey data for 2002. | • Statistics Canada has developed a proposal to increase Aboriginal representation in the Alberta Labour Force Survey. A pilot project will be conducted during 2002-03. |

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**OBJECTIVE:** **Clarify federal/provincial/Aboriginal roles and responsibilities.**

| TARGET(S) | RESULT(S) |
|---|---|
| • Develop baseline data respecting satisfaction with federal/provincial/ Aboriginal partnership activities. | • The Alberta/Canada Partnership Forum, including participation from Alberta First Nation and Metis organizations, was initiated in September 2001. All participants have agreed to continue the process. |

## ALBERTA CHILDREN AND YOUTH SERVICES INITIATIVE

The Alberta Children and Youth Services Initiative (ACYI) is a collaborative partnership of government ministries whose business impacts the lives of Alberta's children and youth. Its vision ensures that Alberta's children and youth are well cared for, safe, successful at learning and healthy (Goal 2, Alberta Government Business Plan). In addition to Goal 2, the ACYI contributes to the following Alberta Government business plan goals:

- *Goal 3: Alberta students will excel.*
- *Goal 5: Albertans unable to provide for their basic needs will receive help.*
- *Goal 6: The well-being and self reliance of Aboriginal people will be comparable to that of other Albertans.*
- *Goal 15: Alberta will be a safe place to live and raise families.*

The ACYI arose from the recognition that a coordinated government-wide effort is critical for the effective and efficient support of children, youth and their families. Working together within a common policy framework, ministries and communities can more effectively address issues. The development of integrated provincial policies and programs enables local authorities to plan and deliver an integrated system of services to meet the needs of families in their communities.

In addition to the ministry champions of Children's Services and Alberta Learning, Health and Wellness (together with Alberta Alcohol and Drug Abuse Commission and the Alberta Mental Health Board), Aboriginal Affairs and Northern Development, Community Development, Human Resources and Employment, and Solicitor General comprise the partnership of the ACYI.

Government ministries have developed integrated policies around several key partnership initiatives including Fetal Alcohol Syndrome, Children's Mental Health, Protection of Children Involved in Prostitution, Student Health Initiative and Alberta's Early Childhood Development strategy. On the next page are three objectives for the 2001-02 fiscal year, along with the targets set and the results achieved.

In addition to these targets, there have been other significant accomplishments in 2001-02 in support of the ACYI. These accomplishments include:

- Multi-disciplinary training about Fetal Alcohol Syndrome to 2000 professionals.
- Enhanced access to addictions treatment for youth involved in prostitution through partnerships developed between regional Child and Family Services Authorities and AADAC.
- Baseline data about teachers' satisfaction with the Student Health Initiative was obtained: 70% of teachers indicated that the Student Health Initiative is meeting its goals; 80% of teachers agreed or strongly agreed that it was easy to refer students for student health services; 78% indicated student health services had improved their students' abilities to be successful at learning; and 76% reported that for students with a special health need, a plan was in place to provide such services.
- A community response team model for children at risk was piloted in Calgary. The community response team model provides services to children, youth and their families who are experiencing a crisis, or who may be at risk of becoming involved in child welfare services. The crisis may be related to mental health issues, psychosocial or other potential life-threatening circumstances.
- Significant expansion of services for young offenders, including those in centres and on probation (e.g., establishment of two new mental health units at Calgary and Edmonton Young Offender Centres).

**PURPOSE:** Support the healthy development of Alberta's children and youth through the joint efforts of provincial government ministries, local boards and authorities, families and communities.

**RELATED GOVERNMENT BUSINESS PLAN GOALS:**

Goal #2 - Our children will be well cared for, safe, successful at learning and healthy.
Goal #3 - Alberta students will excel.
Goal #5 - Albertans unable to provide for their basic needs will receive help.
Goal #6 - The well-being and self-reliance of Aboriginal people will be comparable to that of other Albertans.
Goal #15 - Alberta will be a safe place to live and raise families.

**MINISTRY CHAMPIONS:** Alberta Children's Services and Alberta Learning

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**OBJECTIVE:** **Establish new initiatives and strengthen existing initiatives to improve supports and resources for children, youth and families in areas identified as priorities.**

| TARGET(S) | RESULT(S) |
|---|---|
| *Fetal Alcohol Syndrome (FAS) - Prevention and enhanced community capacity.*<br>• Increase number of high-risk women accessing FAS mentoring programs by 12%. | • 70% total increase in women accessing mentoring programs<br>• 47% increase in women accessing First Steps mentoring programs<br>• 23% increase in 2 new community-initiated First Steps programs |
| *Protection of Children Involved in Prostitution (PChIP) - Coordinated services.*<br>• 5% increase in the number of children apprehended under PChIP who subsequently enter into a voluntary service agreement. | • 28% increase in the number of children apprehended who subsequently entered into voluntary service agreements. |
| *Student Health Initiative - Integrated health and related support services for students.*<br>• 75% of student health partnerships meet/exceed their targets in the number of students served in each eligible service category.<br>• Baseline data regarding teachers' satisfaction to be developed. | • 76% of student health partnerships reported meeting or exceeding their targets for the number of students served across all eligible service categories.<br>• Baseline data regarding teachers' satisfaction obtained, with nearly 70% of teachers indicating that the Student Health Initiative is meeting its goals. |
| *Children's Mental Health - Comprehensive system of mental health services.*<br>• Provincial integrated draft policy framework for children's mental health in place by November 2001. | • Draft policy framework completed November 2001 as a critical step in the development of a comprehensive approach for children's mental health. |
| *Specialized Youth Substance Abuse - Enhancements to AADAC's substance abuse system for youth at risk.*<br>• 65% of Alberta adolescents will be aware of AADAC's services for youth. | • A 2001 study revealed 82% awareness by adolescents of AADAC's services. |

| | |
|---|---|
| *Early Childhood Development Initiatives - Development and enhancement of early childhood development programs.*<br>• Develop policy framework for early childhood development by May 2001; Identify first year early childhood development investments by May 2001; Develop implementation strategy of initiatives by June 2001; Develop baseline of current early childhood development initiatives and investments by September 2001. | • All timelines met. |

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**OBJECTIVE:** **Establish an operational environment within government and community that supports integrated delivery of services for children and youth.**

| TARGET(S) | RESULT(S) |
|---|---|
| • 100% of CYSI priorities involve joint planning, shared vision, and common goals. | • 100% of all priority initiatives involve joint planning among partners, with linkages and involvement of other Ministries. |
| • 100% of partnering ministries include children and youth initiatives in their business plans. | • 100% of business plans for partnering ministries include children and youth initiatives. |
| • A minimum of two partnerships with the corporate or voluntary sectors linked with CYSI. | • Canadian Red Cross, Big Sisters, Big Brothers Society, McDaniel Foundation and Catholic Social Services engaged as corporate and voluntary partners. |

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**OBJECTIVE:** **Increase accountability and strengthen government's policy framework and direction to support children, youth and families.**

| TARGET(S) | RESULT(S) |
|---|---|
| • Release annual status report on Alberta's children in January 2002. | • Annual Status Report completed January 2002. |
| • Put in place a provincially integrated policy framework to address transitional issues facing youth, ensuring linkages with the Youth Secretariat, Persons with Developmental Disabilities Program, Get Ready Alberta, People and Prosperity Initiative, Alberta Youth Employment Strategy, Children's Mental Health Initiative, and the Aboriginal Policy Initiative by September 2001. | • Youth in Transition Policy Framework to address the transitional issues of youth completed in September 2001 and approved by Standing Policy Committee in December 2001. |

## ECONOMIC DEVELOPMENT STRATEGY

Recognizing the collaborative approach required to maximize the Alberta Advantage, Alberta's Economic Development Strategy was named as a priority Cross-Ministry Initiative in 2000-01.

Its purpose is to help maintain the momentum of the Alberta economy and allow all Albertans to share in the Alberta Advantage through ministries working together with business, industry, communities, other governments and public institutions, employees and other stakeholders.

*Get Ready Alberta - Strengthening the Alberta Advantage* is a keystone document to the Economic Development Strategy. Released in February 2000, it provides vision, direction and targets for sustaining and enhancing Alberta's economy in the context of the province's current strengths and the future changes and opportunities that we are likely to face. The Economic Development Strategy adopts its four original strategic directions of innovation, learning, competitiveness and quality of life from *Get Ready Alberta*.

In adopting the directions of *Get Ready Alberta*, the strategy recognizes that economic and social elements of the province are inter-connected and mutually reinforcing. While the strategy concentrates on supporting the Prosperity core business of the Government Business Plan, it also recognizes that sustaining the momentum of Alberta's economic growth is not an end in itself. It is the means by which citizens can continue to enjoy the services they have identified as priorities: high-quality education, effective health care services, modern infrastructure, responsive social programs, and safe and secure communities. These priorities support Alberta's attractiveness as a good place to live, raise a family, work, invest, run a business and visit.

In 2000-01 the strategy's objectives focused on ensuring that the directions as outlined in *Get Ready Alberta* were supported across ministries. Reconciliation and activity reports were completed. They demonstrated a strong alignment between *Get Ready Alberta* and ministry business plans. A summary report on the strategy's 16 performance targets also demonstrated good progress.

The Economic Development Strategy continued as a priority Cross-Ministry Initiative in 2001-02. In addition to continuing to track the strategic directions in *Get Ready Alberta*, three new objectives and targets were added.

The new objectives emphasize the importance of economic diversification, regional collaboration and a sufficient supply of skilled labour to sustaining Alberta's economy. An increasingly diverse economy accelerates the pace of innovation and increases employment in goods and services industries with substantial growth potential. Regional development fosters long-term prosperity for Alberta communities of all sizes by increasing their economies of scale and by encouraging the export of goods and services. Maintaining a skilled labour force makes Alberta more economically competitive and increases our attractiveness as an investment destination. At the same time, a skilled, productive workforce raises the standard of living for all Albertans.

The objectives set out for the initiative in 2001-02 were:

- Continue to implement Alberta's economic strategy as outlined in *Get Ready Alberta*:
  - Unleashing Innovation,
  - Leading in Learning,
  - Competing in a Global Marketplace, and
  - Making Alberta the Best Place to Live Work and Visit;
- A broadly based, versatile economy;
- A collaborative approach to regional economic development, and
- A sufficient supply of skilled labour to meet Alberta's economic growth needs.

Strong steps forward have been made on each of the objectives over 2001-02. Significant teamwork and collaboration across ministries has been undertaken to maintain progress on the directions in *Get Ready Alberta* and to initiate the new objectives. Results achieved during 2001-02 follow.

**PURPOSE:** A future of boundless opportunity in a province that's unmatched through ministries working together with business, industry, communities, other governments and public institutions, employees and other stakeholders.

**RELATED GOVERNMENT BUSINESS PLAN GOALS:** Goal 7 - Alberta will have a prosperous economy.

**MINISTRY CHAMPIONS:** Economic Development, Innovation and Science and Learning

**OBJECTIVE:** **Continue to implement Alberta's economic strategy as outlined in "Get Ready Alberta".**

| TARGET(S) | RESULT(S) |
|---|---|
| *Unleashing Innovation* | |
| • % of learning institutions connected to a high-speed network: Kindergarten to Grade 12 - 30%; College/University - 20%. | • Kindergarten to Grade 12 estimated at 16%; University/colleges estimated at 14%. A broader measure is being developed for 02-03. |
| • Employment growth in the information and communication technology (ICT) sector: 5,000 new jobs. | • 2,300 new jobs in the information and communication technology (ICT) sector. |
| • Level of investment in Research and Development: $1.2 billion. | • Data to construct estimate not yet available. |
| *Leading in Learning* | |
| • % of Albertans participating in post-secondary education: 33%. | • 31% of Albertans participating in post-secondary education. |
| • High school completion rate: 71%. | • 72% high school completion rate. |
| • % of high school and post-secondary students enrolled in a second language: 25%. | • 21% of high school students enrolled in a second language. |
| • % of participants in employment training who indicate they obtained an improved education or skill level: 80%. | • Estimated participants indicating they obtained an improved education or skill level is 86%. |
| *Competing in a Global Market place* | |
| • New jobs: 45,000. | • 43,900 net new jobs created. |
| • Reduce accumulated debt (net of cash set aside for future debt repayments) to $6.5 billion by March 31, 2002. | • As of March 31, 2002, accumulated debt less $2.7 billion set aside for future debt repayment was $5.7 billion. |
| • Value-added international exports: $22.4 billion. | • Value-added international exports estimated at $22.6 billion based on revised methodology. |
| • Four-laning of North-South trade corridor (BC border west of Grande Prairie to Coutts): 73% complete. | • Estimated at 75% complete. |
| *Best place to live, work and visit* | |
| • Tourism revenues: $4.5 billion | • Tourism revenues estimated at $4.3 billion. |
| • % of Albertans rating their health status as excellent or very good: continues to exceed the national average. | • In 2000-01, 61.5 % of Albertans rated their health status as excellent or very good compared to 61.4% nationally. |
| • Municipalities connected to the Internet and community network: 97%. | • 97% of municipalities connected to Internet. |
| • Workplace safety: Person days lost due to workplace injury and illness continues to be ranked among the three lowest provinces in Canada. | • Rank is among the three lowest for 1999. 2000 data unavailable from Human Resources Development Canada at time of publication. |
| • Crime Rate - The gap between Alberta police reported crime rate and national rate per 100,000 population reduced by 3%. | • The most current results show that in 2000, the gap decreased by 3% for both violent and property crime rates. |

**OBJECTIVE:** A broadly based, versatile economy.

| TARGET(S) | RESULT(S) |
|---|---|
| • Increase the proportion of employment in Alberta's value-added manufacturing and business services to 16% of total employment. | • Alberta's value-added manufacturing and business services at 16.2% of total employment.<br>• Development of a value-added strategy underway. |

**OBJECTIVE:** A collaborative approach to regional economic development that builds on regional goals, priorities and strengths.

| TARGET(S) | RESULT(S) |
|---|---|
| • Under development. | • One measure established and target set; three other measures established with targets to be set. |

**OBJECTIVE:** Sufficient supply of skilled labour to meet Alberta's economic growth.

| TARGET(S) | RESULT(S) |
|---|---|
| • Under development. | • Strategy developed and released as *"Prepared for Growth: Building Alberta's Labour Supply"*. Establishes three strategies and five measures with targets. |

## SENIORS POLICY INITIATIVE

In March 2001, the government announced the Seniors Policy Initiative as one of four priority cross-ministry initiatives for 2001-02, demonstrating an ongoing commitment to planning and preparing for the aging population and to serving Alberta's seniors.

Alberta is at the forefront in Canada in planning and preparing for the aging population. In June 2000, the government-wide study on the Impact of the Aging Population was completed. The two resulting studies, *Report A: A Review of Current Government Programs and Services and ALBERTA FOR ALL AGES: Directions for the Future*, looked at seniors' lives today in Alberta, and identified the opportunities and challenges that may come with Alberta's aging population in the years ahead. The Seniors Policy Initiative builds on the foundation laid by these and other studies.

In 2001-02, 18 ministries and government entities participated in the Seniors Policy Initiative. The principal objective was to develop a strategic framework and 10-year action plan for Alberta's aging population. The framework and plan focus on the following key areas of seniors' lives: health, retirement income, housing, workforce and the workplace, lifelong learning, informal caregivers and volunteers, and supportive communities. They provide a vision and outline strategies for serving seniors and promoting their independence and contributions.

The results below show that all the targets for the Seniors Policy Initiative in 2001-02 were fully met.

**PURPOSE:** To strengthen the coordination of provincial government programs and services to ensure they continue to meet the needs of current and future seniors.

**RELATED GOVERNMENT BUSINESS PLAN GOALS:**

Goal #1 - Albertans will be healthy.
Goal #4 - Albertans will be independent.
Goal #5 - Albertans unable to provide for their basic needs will receive help.

**MINISTRY CHAMPIONS:** Seniors and Health and Wellness

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**OBJECTIVE:** **Develop seniors initiative strategic framework and 10-year action plan.**

| TARGET(S) | RESULT(S) |
|---|---|
| • Initiatives from the action plan are included in ministry business plans beginning in 2002-05. | • Key initiatives from the action plan are included in ministry business plans for 2002-05 based on government and ministry priorities for this planning period. These initiatives focus on the opportunities and challenges of an aging population in the area of: seniors' health, retirement income, seniors' housing, the labour force, lifelong learning, volunteers, transportation, and fraud prevention. |

**OBJECTIVE:** **Establish performance measures and baselines for monitoring progress in the Seniors Policy Initiative.**

| TARGET(S) | RESULT(S) |
|---|---|
| • Baseline measures and targets established by January 2002. | • Broad baseline measures and targets have been established in each of the following key areas: seniors' health, retirement income, seniors' housing, workplace and education, volunteers, and supportive communities. The information attained through these measures will serve as high-level indicators of change in seniors' lives. |

**OBJECTIVE:** **Report annually on the progress made in implementing the cross-ministry Seniors Policy Initiative.**

| TARGET(S) | RESULT(S) |
|---|---|
| • First Seniors Initiative performance report published on the progress made in 2001-02 (July [illegible]02). | • A report on the Seniors Policy Initiative will be released in July 2002. |

## Readership Survey

The Government of Alberta Annual Report combines government's non-financial performance assessment, Measuring Up, with Alberta's Consolidated Financial Statements to give a more complete picture of the province's economic, social and financial position in one publication.

How useful is this report to you?

This Readership Survey will tell us how important and how valuable you find the two parts of this report. Please read each statement and choose the option that best indicates your level of satisfaction.

You can complete this survey online at www.finance.gov.ab.ca or remove this sheet from the Annual Report and fax it to Performance Measurement at (780) 422-2164 (toll free in Alberta by dialing 310-0000 then 780-422-2164. The readership survey can also be mailed to:

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9515-107 Street
Edmonton, Alberta, Canada T5K 2C3

## CONSOLIDATED FINANCIAL STATEMENTS

**Based on your reading of the *Consolidated Financial Statements*, indicate how satisfied you are that...**

**1. The information in the *CFS* is easy to understand.**

____Very Unsatisfied ____Unsatisfied ____Somewhat Unsatisfied ____Somewhat Satisfied ____Satisfied ____VerySatisfied

**2. The information in the *CFS* is useful.**

____Very Unsatisfied ____Unsatisfied ____Somewhat Unsatisfied ____Somewhat Satisfied ____Satisfied ____VerySatisfied

**3. There is enough detail for me in the *CFS*.**

____Very Unsatisfied ____Unsatisfied ____Somewhat Unsatisfied ____Somewhat Satisfied ____Satisfied ____VerySatisfied

**4. The *CFS* meets my overall needs for information.**

____Very Unsatisfied ____Unsatisfied ____Somewhat Unsatisfied ____Somewhat Satisfied ____Satisfied ____VerySatisfied

## MEASURING UP: THE PERFORMANCE MEASUREMENT REPORT

**Based on your reading of 2001's *Measuring Up*, indicate how satisfied you are that...**

**1. The information in *Measuring Up* is easy to understand.**

____Very Unsatisfied ____Unsatisfied ____Somewhat Unsatisfied ____Somewhat Satisfied ____Satisfied ____VerySatisfied

**2. The information in *Measuring Up* is useful.**

____Very Unsatisfied ____Unsatisfied ____Somewhat Unsatisfied ____Somewhat Satisfied ____Satisfied ____VerySatisfied

**3. The level of detail for me in *Measuring Up*.**

____1, Too little ____ 2. ____ 3. Adequate ____ 4. ____ 5. Too much.

**4. *Measuring Up* meets my overall needs for information.**

____Very Unsatisfied ____Unsatisfied ____Somewhat Unsatisfied ____Somewhat Satisfied ____Satisfied ____VerySatisfied

**5. Which of the following would be the most useful improvements to *Measuring Up*.**

____more interpretation of indicators ____more international comparisons ____more information on government strategies

____more information on domestic trends ____better graphics and illustrations ____other (please specify)______________

## SUGGESTIONS FOR IMPROVEMENTS

Your opinion is important to us. But to improve our report, we need more information. Please use the space below to tell us how to make these reports easier to understand and more useful to you.

The *Consolidated Financial Statements* can be improved by:

*Measuring Up* can be improved by:

***View the Government of Alberta Annual Report online at:*** **http://www.finance.gov.ab.ca**

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